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During the printing of the present volume, delayed on account of technical exigencies, the beloved President of our Societies, Marchese Ing. Lorenzo Niccolini di Camugliano passed away.

The work done by him for so many years for our Agencies, in the successive offices held by him has bound his name to their history; our great family will always remember him with deep gratitude.

To succeed him as President of the three Fondiarias, the Councils of Administration - at their meetings on 16th October - appointed Cavaliere del Lavoro Avv. Guido Treves, their former Vice President.

October 1956

LA FONDIARIA

WITH THE COMPLIMENTS OF
LA FONDIARIA INCENDIO AND LA FONDIARIA VITA
ON THE 75th ANNIVERSARY OF THEIR FOUNDATION

In the realm of space and time, human facts appear like a series of numberless water-streams winding through valleys, joining each other after having overcome the mountain obstacles, and flowing into the vast sea. What in the physical life of our planet is represented by the ocean, in human life is history: a synthesis of all events, each one with its special value and function. Once in a while a phenomenon appears as most outstanding and we are accustomed to consider it as a guidance to interrupt arbitrarily the continuity of narration, colouring it with dramatic accent.

The life of Florence that Armando Sapori has outlined in this essay, is circumscribed in its economic aspects within the period of the Renaissance: particularly the XIII. and XIV. centuries, in the turbulent revival of which, was founded, and then developed, the splendour of art and philosophical speculation, to continue the supremacy of Florence throughout Italy and the world.

It might seem presumptuous that to the reconstruction of the enterprises of the great mercantile companies, and of the characters of the great merchants of those distant times, we should add the chronicle of seventy-five years of the life of the Florentine Insurance Company: *La Fondiaria Incendio* and *La Fondiaria Vita*. Also these modern companies, however, belong to the spirit of Florence; and animated by this spirit, they have already acquired merits which we are bold enough to affirm cannot be denied.

If in recalling the year of their foundation we have asked the historian to bring to mind the glories of our city at a really golden period, it is because, conscious of the traditional force, we want to draw inspiration from the ancient mercantile honour, and from the search for continuous increase, which were the secrets of real greatness.

The lily of Florence, carried round the world with the dignity of the past, will be a symbol of the prestige of our homeland.

LA FONDIARIA

1513359

ARMANDO SAPORI

MERCHANTS AND COMPANIES IN ANCIENT FLORENCE

COMMENTS ON THE ILLUSTRATIONS BY UGO PROCACCI

TRANSLATED BY GLADYS ELLIOTT

FLORENCE
MCMLV

Stampato in Italia nello Stabilimento Poligrafico Fiorentino
per i tipi della Casa Editrice Barbèra
e con la collaborazione tecnica della S. M. I. T. di Cassino.

Riproduzioni in offset della Zincotipia Moderna di Firenze.

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FLORENCE THROUGHOUT THE CENTURIES

THERE was once upon a time a little town in our small Italy which was greater than the largest country of that time; when it was not our diplomats who begged an audience of kings or their ministers, but the kings themselves called the Florentines « dear friends », and their treasurers left their office doors half open so that they could enter without the trouble of knocking. Once inside, they would naturally discuss figures and we were the ones to impose conditions. Then in the trade books of our businessmen we read: « Messer King Edward » or « Messer King Philip », or « Messer the Pope », « owes us so many florins », and they added « but it will not be easy to get them back ».

It was in this way all the world over: that world limited by the Pillars of Hercules. The Florentines were present everywhere, they were sought after, and everywhere they were employed in the great game of politics, as happened with Scaglia Tifi, to whom was credited the passing of Burgundy to the Crown of St. Louis, and with the Gianfigliazzi, to whom France owed the acquisition of the Dauphiny.

It is not surprising, therefore, that Boniface VIII, noticing that all the representatives of the sovereigns, sent to pay him homage on the solemn day of his coronation, were from the city of the Lily, exclaimed: « The Florentines are – together with air, water, earth and fire – the fifth element of the universe ». And Pope Caetani, in fact, knew the Florentines well from his own personal experience, in-as-much-as the « Papal Court » employed and had been employing them long since as *campsores*, that is to say, as bankers of the Apostolic Chamber. To them was entrusted the collection of most

of the tithes for the Crusades to the Holy Land, as far as the remotest countries, such as those in the North where, for instance, taxes were not paid in money. Money did not exist, hence payment was made with seal skins and whalebone. Our merchants sold these, transmitting the proceeds to the Pope.

It is clear that this situation would not last long; it would change, naturally, for the Kings – generous in their hospitality when their finances were in a precarious condition, or whenever their economic condition was underdeveloped – would be less and less dependent upon them.

This does not mean that, from the middle of the XVI. century the Florentines were returning in mass; some, on the contrary, continued to set out across the Alps and go overseas. They rather changed the type of their work, turning to business centres quite different from the former ones. During the XV. and the XVI. centuries, they gave preference to speculation at the « exchange fairs », where such kings as Charles V. or Philip II. acquired the necessary sums for their military enterprises. Finally, when the bankruptcy of the Spanish Crown repeated the losses caused by that of Edward III, they began to give greater attention to agriculture, while they continued to live in town, where they led an extravagant and innane life at the Medici court. I repeat, this does not mean that the fame of Florence was not still spoken of throughout foreign countries; the city was well known, at least on account of the Florentine families who had migrated beyond the Alps to become naturalised subjects of foreign States. It is well known, for instance, that the name « Gadagne » the French version of the original « Guadagni », was synonymous of wealth, which surely would not have paled beside the colossal wealth of the Germans Fugger, Hochstetters, Imhoffs, Wohins, and of the English family of Pole, of the Crespins and Louchards from Arras, while Jacques Coeur's star was bright at the court of Charles VII. I shall add, that this did not prevent the city itself from being enriched with new and more fascinatingly beautiful things which in the XV. and XVI. centuries were added to the more stern ones of the past centuries. The same thing happened in Venice, where the magnificent buildings on the Grand Canal were erected, when its empire was ever declining, after being attacked by the advancing Turks.

But if we delve deep into the evaluation of the historical facts, we cannot but recognise that the true greatness of an era, is measured by those heroic moments of growth and struggle to realise the aims, which are attained unceasingly one after the other. And we should not be illuded by the exhiliration of those who, once they have reached a pinnacle, stay there, wearied by their endeavour, content now to rest upon their laurels, leading a prosperous existence, without any risk. Now, should we accept this point of view, it signifies that once they tried the great adventure far from their city walls, with the determined ambition of returning rich in money and experience, they did come back, and their ambition was fulfilled by building the

Town Hall, monumental churches, and private mansions worthy of royal tenants. Then, on the contrary, later on they remained away from their native town, feeling only slight homesickness; they humiliated themselves by renouncing the name of their noble ancestors and begging naturalisation from a foreign State. In the end they were an advantage the their adopted State, even increasing their personal fortune, but no longer of value to their native town. It is sufficient to read the essay « The Family » by Leon Battista Alberti to understand the extent of this «swarming from the beehive», with no return. And it is not without reason that the humanist, a passionate exalter of the solidarity of the lineage from which he descended, feels a constant nostalgia for the time of his grand-fathers and great-grandfathers, when relatives were bound by deep ties of affection, when they traded « all over the world » and then were gathered together again in a palace dominated by a tower, symbol of their mutual pride, a home, the « Alberti Family », in their Home Country.

During the foreign sovereignty of the Lorraine dynasty, the heirs of the old merchants forgot the tradition of the shops where they worked feverishly, of the trades that developed in all directions, of the bank where the most daring operations were ventured. What was left of their ancient strength was more and more concentrated, though with intelligence and love, on the land. In the general picture of this « return to the land », of no little importance is the Florentine affirmation of the « Georgofili ». It is, at least, a proof that among politically subjugated people, not all their virtues were extinguished. The land-owner was a small king, with the calm and dignified behaviour of the prince of a small State, without an army and without diplomacy, the State being formed only by workers. And even the peasant, no matter what his economic condition was, without taking for granted the more or less felt naiveté of an Arcadian idyll with the master, was, so to say, one with the land, from which he too would gain dignity.

At this point, I should like to make a short digression. I know I shall be charged with heresy when I state that for Florence, and not only Florence, the Renaissance – if we mean by this expression the whole of the manifestations of a civilization, amongst which the economic aspect has a remarkable value – began before the date that has been set officially by scholars, while its extreme limit is also to be anticipated with regard to the term which has been agreed upon, on the basis of the imposition of a mental scheme, which holds in consideration only culture. I see Renaissance here in our city when, after the breakdown of the ruins of feudalism, the ingenious formation of the Commune flourished, that new political organism whose emblem was freedom, able to stimulate progress. In the atmosphere of liberty, art was able to free itself from byzantine models, and Giotto feel, live, and make alive on his canvases and in his frescoes, all creatures and nature, making sublime with drawings and colour, the Canticles of St. Francis; the Lily of Florence rose victorious on the battle fields against the Emperor Henry VII's standards;

and Alighieri gave full dignity to the vulgar tongue, sealing it with a poem which is the patrimony of mankind. It is not without significance that just in these years the Florentines, together with other Italians – but on a plane superior to the latter, – began travelling all over the world, as beforementioned, dictating everywhere the law of their genius, their passion, and their audacity.

It is not without significance that in the meanwhile they attended with great love, to endowing their city with the achieved beauty of a perfect jewel. Nowadays, alas – and this « alas » should not be misunderstood, for the final mark of the late fifteenth century and of the sixteenth century is likewise another masterpiece – we should like to reconstruct, if only mentally, the first architectural harmonies of the whole township, which harmonies were inspired by the sublime simplicity of Giotto's paintings. In endeavouring to place the men of whom I am writing in their own surroundings, and for the selection of illustrations for this short monograph, I have followed the records of Marco Bartolommeo Rustici, a most artistic goldsmith who illustrated his «Chronicle» with drawings as expressive as the spoken word. The work of Rustici is commented in a most valuable appendix written with the knowledge of a scholar and the soul of an artist, by Prof. Ugo Procacci.

THE GEOGRAPHICAL POSITION

Now, since history does not accept miracles, we must find the reasons and aspects of the greatness of Florence during her Renaissance.

Beginning with her geographical position, we cannot say that, even if situated on a wide and fertile plain, she was favoured as regards international traffic. First, she was not crossed by that « via Francigena » which, leading to Rome from the Alps, was the beginning of Siena's fortune. Then even if near the sea, she had no opening on the sea. Political ability triumphed over these obstacles. While Siena was stiffening in its Ghibelline position, the Florentine merchants – artificers of the city politics – turned to the party which was destined to triumph, that of the Popes, and their supporters the Angevins. And in spite of the fact that they had to suffer the shame of having two « lords » from the South, Charles of Calabria and Walter of Brienne, Duke of Athens, they accepted them, or rather, they urged them to come, when necessary, but they knew how to get rid of them, once their function was fulfilled, before their ambition for domination could be realised. Meanwhile, the Popes transferred to the bankers of Guelph Florence, the task of *campsores* that was gradually being taken away from the rebel Siena; those businessmen on an international scale, profitted more and more by the support of the Papal Court for introductions to kings, high ecclesiastics and to all the European nobility.

As to lack of access to the sea, even though wars to acquire Pisa engaged Florence up to the XV. century, even though the attempt also to buy Talamone – object of Dante's derision – did not bring the results hoped for, that preclusion was an incitement to a policy of expansion in the Tuscan hinterland to have control, or at least safety assured of, on the highways leading to Northern Italy. They undoubtedly ran very serious risks: the menace of Castruccio Castracani, Lord of Lucca was almost fatal. But by skilfully alternating military campaigns with the formation of Leagues and commercial treaties, such freedom of movement was obtained, that productivity at home could be safely increased.

At last the sea would be reached by the acquisition of the Ports of Pisa and Leghorn in 1421. It was too late however! Yet the hopes of a maritime future were so great, that Florence celebrated as a victory, the departure of the first ship bound for Alexandria, in Egypt.

In the unedited chronicle of Paolo di Matteo di Fastello dei Pietriboni – who added many modifications to what had already been written up to that time, about the eastward and westward voyages of the ships flying the flag with the Lily – we read that on the 17th, 18th, and 19th, of April in 1422, « all over the land » there were grand processions in which took part the pupils of the schools and of the craftsmen, who had shut up their shops

for the occasion: « For on the 20th day of April, from the ports of Pisa, the first light armed galley was to sail for Alexandria ».

At the last minute they decided to wait for the launching of another big ship, « a large galley », and only on the 12th. July did the « St. John the Baptist » and the « St. Anthony » sail, with on board two ambassadors to the Sultan, the Proconsul of the Florentines in the Levant, and a group of merchants who were taking cloth of the value of 4.000 florins, and 56.000 gold ducats, to sell to purchase « spices ». In April 1424, two big galleys sailed for Barcellona and Valentia, to try out the route of the first voyage westward, which was made on 6th. May 1425, bound for Bruges and London. Too late, I said: the results did not come up to their expectations. But in an outline of Florentine economics, I could not but recall this bold maritime enterprise.

Fig. 1. – La collina fiesolana.

(From the Codex by Marco di Bartolommeo Rustici preserved in the Library of the Chief Seminary of Florence)

Unfortunately for centuries so remote, we have no statistics, according to the modern meaning of the word. But when we think that, after accurate criticism, the data of chronicler Giovanni Villani may be accepted as truthful, or at least near the truth, the figures he gives for the years from 1336 to 1338, in pointing out a situation that gradually developed until it reached its zenith, are evidence of very exceptional economic power.

Fig. 2. – Il Battistero.

As to the finance of the Commune of Florence, the returns of only the indirect taxation, reached 300.000 gold florins a year; the public loans, either compulsory or voluntary, during the two wars, which in that period were fought against Mastino Della Scala and Castruccio Castracani, amounted to 800.000 gold florins. Other data, also imposing, given by Villani, concerns trade and industry. Between 1336 and 1338 twenty draper's warehouses of the « Arte dei Calimala » (Guild of Drapers) specialised in the dressing of cloth bought abroad, imported 10.000 pieces of it for an amount of about 360.000 florins a year, while 200 factories of the « Arte della Lana » (Guild of Wool) for the manufacture of cloth, produced between 70.000 and 80.000 lengths for an amount of 1.200.000 gold florins.

It is evident that we could only have a complete view of Florentine economy, if it were possible to have an idea of the purchasing power of their money, compared with that of the money we use to-day, and to know exactly the number of inhabitants in the city. Unfortunately, if we wish to use a scientific procedure, we can only state that: the florin coined in 1252 had a value of 24 carats, and a weight of gr. 3,53 equal in value to the silver pound formed with 20 « soldi », each one subdivided into 12 « denari ». This was the initial rate of exchange between gold and silver. In 1271 the value

of the florin was officially brought to 29 « soldi », which rate of exchange remained unaltered for the so-called « florin pound » used on international exchange; while it continuously rose, in comparison with the pound of « piccoli », not so much on account of the depreciation of silver, as for the continual devaluation of the current money (used in the way paper money is used to-day) by the constant adding of cheap alloy.

In those years Villani refers to, about 60 « soldi » were needed to have in exchange of a gold florin.

This is the only data we have: those who wish may estimate the quantity of pure gold contained in the 300.000 and 800.000 florins we have just mentioned. I would add however – rather to give an idea, than an exact measure of the economy of a historical period – that on the balance sheet of only one of the Florentine Banking Companies, controlled by the Bardi, up to July 1st, 1318, was recorded transactions for an amount of 873.638 florins. This statement indicates the power of the XIV. century merchants, as much superior to that of the biggest capitalists of our own times.

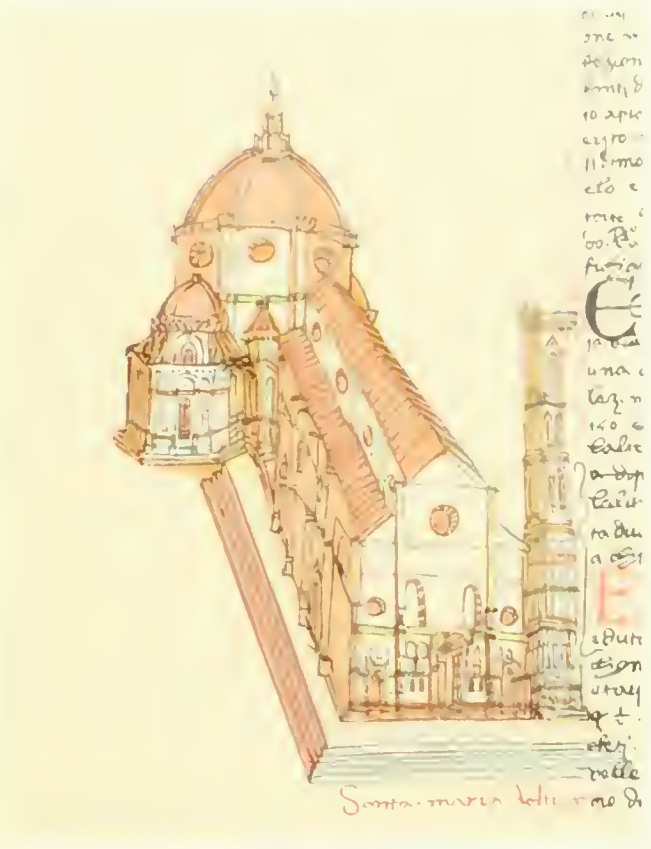


Fig. 3. – Santa Maria del Fiore.

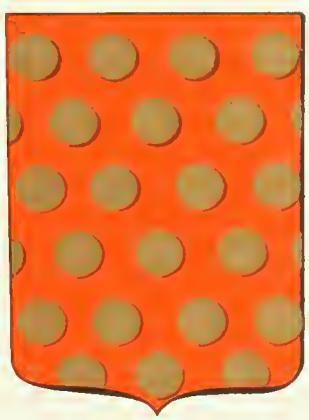
We shall now begin to deal with a second factor of the politics in Florence: the corporative organisations of the « Arti » (guilds), stating beforehand that, in order to judge it in its right value, we must consider the reality that came about under the dominion of the regulations, much more than the regulations which ruled the city guilds. No doubt the grouping of the artisans, after all a phenomenon of general character, showed a rigidity that should rather have reduced than increased, the economic development. On one hand the limitations expressly imposed on the acceptance of new members, on the other hand those imposed indirectly on manufacturing processes by a very detailed regulation of all the phases of work, prevented production from reaching the level it might have reached under a regime of free enterprise. But we should not forget that the purchasing power of most of the population, advised them to adapt manufacturing to consumption, for it was not possible, as it is to-day, to use out-put as a stimulation to need. From this point of view, for instance, the working schedule – including many holidays – which the « Arti » had approved, was propitious. It was said that holidays were intended to give good Christians a chance to attend the services in honour of the numberless Saints, but actually they prevented unsold stock in the stores. On the other hand, the above mentioned control during the process of manufacturing, could as a result, guarantee perfection of the manufactured goods, thus favouring success on foreign markets. I want to stress once more upon the cloth for which the raw material, the wool, was bought in distant localities: the inferior quality from Africa, the medium from Spain and the most valuable from England. It was because of dressing the cloth –

obtained at a reasonable price, allowed in its turn by the small cost for low wages – that the Calimala drapers were able to sell, with remarkable profits at the Champagne fairs, the raw cloth they had previously purchased there, and had dyed and dressed in Florence. It was because of dressing the cloth that the merchants of the « Arte della Lana » could easily find markets everywhere for their goods, for which they had arranged in advance, in London, the purchase of fleeces; and on the way, as far as the Arno, they had paid considerable sums for transport and customs duty.

However, should we take literally the statutory provisions beginning with the ban on competition, and should we insist on the spirit of the guilds intended to protect the members uniformly, thus levelling them, so that none should excel the others, at least not too much, it is clear that we would not find ourselves facing the whole scale of Florentine business organisations, from the small to the middle ones, the important and the very important, such as the Bardi's whom we have already mentioned. Much less would we assist at the solidarity that bound the greater firms, so that they could form a real *trust* represented by the Bardi, the Peruzzi and the Acciaioli, while all the others were compelled to gravitate within their orbit. This is so true that when that great trust went bankrupt – Villani calls the three companies the « Pillars of Christendom » – the whole economy was upset by a chain of bankruptcies, and the very base of the regime of the Commune was undermined, declining since then towards the not-too-distant supreme power of the Medici family.

It is also true that the organisation of the guilds of Florence had, practically, a certain elasticity. Those who assume in earnest, I should say in a tragic way, the reiterated prohibitions of working without being members of a guild, would be surprised to find in the documents of the time, craftsmen with shops of their own, while their names are not to be found on the registers of the guild rolls. Those who take the trouble to look at the details, will find prohibitions for usury – in a wide sense, – not at a high interest, but any interest whatever – for the money placed at other people's disposal – and will also read in a small rubric of the Calimala by-laws, the obligation for the craftsmen to forgive usury in each other, and in the trade books a record of the evidence of that forgiveness. Again, in the regulations of this guild is also ordered the suppression of those firms « which have not good sales » evidently in favour of the more prosperous ones. And besides this, we must consider the unscrupulousness of shrewd businessmen who, while drawing-up a law themselves, were ready to violate it, or at least, were mentally calculating the convenience between a possible fine, and the benefit derived from its violation. It is in the books of the firms of the time, that one finds such entries as these: « *tot* florins to the notary of the guild, because we made a present to the broker » (this was forbidden); « because we called the passers-by into the shop » (that was also contrary to the rule of non-competition);

«because we asked a pilgrim to taste our wine» (wine venders were not permitted to use this system to attract customers) and so on. It is not surprising, then, that under the rules of the guilds and in spite of those rules, the most intelligent, and the most daring accumulated such enormous fortunes as to allow them colossal operations on an international scale.



THE DEVELOPMENT OF THE CONSTITUTION UP TO THE MEDICI DOMINATION

I have dwelt upon the Florentine guilds also in order to make other remarks; their life was fuller and more complete than it was anywhere else, in so much as in Florence they attained aims that elsewhere guilds had not reached, or only partially. I mean the political aim (which the guilds of Venice, for instance, or those of the South, completely ignored), for here the guild was the instrument of the merchant class to attain government of the State, which was at the same time, its fortune and the fortune of Florence.

The year 1282 was decisive, – though the ancient office of the Podestà, the Captain and their Councils remained the same, – the supreme Office, the « Signoria » (Governors) composed of the « Priori » and the « Gonfaloniere di Giustizia » (Gonfalonier of Justice), was appropriated exclusively by the representatives of the guilds: first by the most prosperous of Calimala, the Wool Drapers, the Money Changers, who were shortly joined by the members of other three Guilds, and then four, Por Sta Maria, the Physicians and Apothecaries, the Furriers and Tanners, the Judges and Notaries, until the title of Major Guilds was given to the five Medium ones, and a Government of Twelve Guilds was reached. The chroniclers, at this period, speak with reason of a triumph of the « popolo grasso » (« rich burghers »). After a short time, though – in order to preclude the way to an eventual return of the « great », mostly noblemen who had directed public matters – the guilds established, with the « Ordinances of Justice » in 1293, the ban from public office of all those who were not « good Guelphs inscribed in a Guild ». Even if the actual practice of the craft were not imposed, the mere fact of pretending membership to a guild, in order to enjoy full political rights, meant acknowledgement of a principle of a nobility, superior to that of birth, the nobility of work, by the acknowledgement of the function of work in the life of the State. The aristocratic Dante, who had despised the « peasant from Aguglione » without understanding the contribution that the country could give to the city, had himself to bow his head, and register among the « Physicians and Apothecaries » if he wanted a seat in « Palazzo Vecchio ». Certainly he never manufactured either a pill or a syrup, but he had to declare himself a worker, had to inscribe his name – that might at first have been written on an Imperial diploma – among those of more or less humble people who, however, loved their little country as much as he did, even though with a different expression. Dante wanted it simple and proud, on the model of his ancestor Cacciaguida; a bright star in the firmament of the Empire. His colleagues in the guild wanted it rich, through the riches they would accumulate by incessant activity, and that they would lavish, as indeed they did lavish, to make it more beautiful and powerful.

After 1293 the « Major Guilds » were joined by the nine « Minor Guilds » to form a block of twenty-one, constituted « circa honorem et defensionem, exaltationem et pacificum et tranquillum statum dominorum priorum et vexilliferi justitiae et totius populi florentini ». The « Priori », elected by the « capitudini » (heads of the guilds), appointed in their turn, the officials of the Government and controlled them, presided over the finance, and the international relations, called the assemblies and drew up laws together with the Councils. The « Gonfalonier of Justice », one for each priorship, had at his disposal one thousand armed men, to impose the laws and have the sentences executed.

Fig. 4. – San Lorenzo.

By this time the body of the twenty-one guilds was identified, by law, with the State, though it could not be called, as it is usually erroneously called, a democratic government, for in the allotment of seats in Palazzo Vecchio, the « Major Guilds » still prevailed over the others. Therefore not a democracy, but still an oligarchy. From this time on, there was the basis for future development that, ending the constitutional history of the Commune, Florence had really given to all the people, the possibility of reaching the highest seats in the government of the Republic.

The Duke of Athens, seeking popularity, had already established that, of the eight priors, two should come from the « Major Guilds », two from the « Middle » and three from the « Minor » ones, and that the Gonfalonier of Justice should be drawn by lot, every two months, from all of them. The oligarchy that regained power in 1343 after the expulsion of the tyrant, repealed that law, stimulating, by this act, also the lower classes to the affirmation of their civic rights. The « Ciompi » (Woolcarders) riot in 1378 was an ephemeral victory; and yet it might have been prophetic if the ruling class

had understood the times, without aiming at revenge with the mirage of confirming positions historically out-of-date. And even more so because, after the troubled days of the riot, the people did not aspire to exploit their victory. An ample documentation proves that nothing of what was feared came true. Maybe Salvestro Medici, not in vain a counsellor of Michele di Lando, suggested moderation. It is certain that the public debt was not erased, but it was recognised as an obligation of the Government. Only it was brought down to five per cent – the Church tolerating that rate – the interest of that debt, which had reached with the « Monte dell'un due », and the « Monte dell'un tre » the 10 and 15 per cent; the florin was maintained in its integrity, only it was settled not to depreciate the « piccoli » beyond the rate it had reached, preserving the current proportion between silver and gold. They did not pretend to govern alone, but it had been decided that the three newly formed guilds of the « minuti » (lower classes) would participate in the « Signoria », or government, with the others. I shall repeat; the merchant oligarchy had already had its golden age, and Florence owes to it, its greatness in the XIII. and the first part of the XIV. century. The economic and financial crisis in the middle of the XIV. century ought to have proved (as usual, reality is seen by historians, who meditate far from the violence of passions) that it had exhausted its task. By now, only two roads were open for Florence: either a democratic government, or one by a Signory, (supreme power). Presented by the velvet gloved hand of Cosimo de' Medici, the second was chosen. Then, from beneath the cloak, out came the stick, and weakened, as I mentioned at the beginning, the last energies of a vigorous stock, from which had come the daring pioneers of economy and staunch defenders of liberty at the time of the Republic.

Fig. 5. – Il Bigallo e la SS. Annunziata.

I shall go on with my dissertation on the Medici domination, and point out another aspect of Florentine life, the taxation system, in which were achieved a number of experiments that placed our city at the head of all Italian cities, so that even Luigi Einaudi, in reviewing a book on the finances of the Florentine Republic concluded: « what is the need, in teaching and in writing treatices on finance, to collect examples from all parts of the world, from the *income taxes* and *Einkommensteuern* and French, German and English tax collecting methods, when we have here, within our reach, the richest documentation and the most abundant examples? ». Now, to meet the needs of the State, the oligarchy, as long as it was in power, resorted as little as possible to direct taxation, more to loans, even more to indirect taxation.

As regards direct taxes, in 1269 we find the personal one called « libra per estimo » based on an assessment not only decided by the market value of the patrimony, but also by the income of the taxpayer, the head of the family; after which, proportions were established. Let us suppose that a person was worth 100 liras, how much should other people be worth, so that the tax could be equally divided? A practical example: the Commune of Florence decreed one « libra » of 1.000 « liras »; then the sum was divided among the city districts, establishing that, for its contingent, one should give 100 liras, one 200, one 300 and one 400 as its share; inside the districts there was a further subdivision among the « people » who formed their own contingent; finally among each people, special commissions decided the assessment for the single taxpayer, not in actual money, but with ideal values adopted only to make proportions. Supposing that in one « people » there were only

four taxpayers, and each of them were respectively appraised « libra », 2.000, 3.000, 4.000, 1.000 (total assessment liras 10.000), the first would have to contribute to the payment of the tax, in the proportion of two tenths, the second of three tenths, the third of four tenths, the fourth of one tenth; and as the « libra» was established in 1.000 liras, the first would pay 200 liras, the second 300, the third 400, the fourth 100, and that was also explained by saying that « one libra of ten liras per hundred » was imposed.

Another tax, which replaced the aforementioned one, this time a real estate and « classified » tax, was that of 1315 on property, which fell heavily on incomes from land, houses, mills and so on, in places where the property was situated, abstraction being made from the whole income and patrimony owned by the taxpayer.

With regard to the « Prestanze » (loans), they were either compulsory or voluntary. The compulsory ones, when falling on all the people, usually did not bring any interest, while they mostly brought interest when arranged for the wealthiest persons; the voluntary ones were always rewarded in different measure, according to the monetary market, up to 15%.

The « gabelle », indirect taxes, the revenues of which I have mentioned before, during the years indicated by Villani, were designed (without any success, as we already saw in the reference to the public debt consolidated in the « Monte »), to the reinbursement of the loans, and constituted the most important source of Florentine finance.

It is clear, that the whole taxation system was too favourable to the class in power, for the middle and lower classes not to protest, asking for a real census of wealth to be the basis of direct taxation. It is also evident that the oligarchy resisted, as is proved by two examples: after the departure of the first Vicar of the King of Naples, who had provided a land recording system, the new government had all the documents burnt, that the Prince had gathered; when the government appealed to Walter of Brienne, Duke of Athens, to rule the city temporarily, the Bardi, merchants and bankers, reduced the capital of their company to half, in order to avoid the taxation, which they knew the Duke of Athens would establish on the model of his predecessor.

Only in 1427 was the organisation of the « Catasto » possible, and it was a census of the incomes of any mercantile or professional activity, of the lucre of the exchange, of the cash, of the civil and commercial credit, of the interest of the public consolidated debt, besides that of rural estate, and of buildings in the town. Anything of said assets that remained, after detraction of the value of the house in which the people were living, and of the shops where they were carrying on business, of debts proved, and of 200 florins «pro capite» (per head) considered necessary for living, was taxable. Once they had carried out this deducting operation, on what remained –

PRESTACA
XIIII

1394

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TABLE I

« Prestanze », – as the name itself denotes – were at first a form of loan to be paid back with interest. With the passing of time, they lost their original character, and became identified in their meaning, with the « libre » (tolls) and the « impòsite » (taxes), that is, the taxes imposed and therefore lost, which constituted the heavy taxation to which the Florentine citizens were subjected.

In fact already in the fifth decade of the XIV. cent. with the foundation of a « Monte comune » (literally « common mound or heap »), the various former loans were united into one common fund, which therefore ceased to be a suspended credit, paying interest, to become a sinking fund of public debt, not easily redeemable. After this the new forced loans became nothing but true taxes, up to the time of the institution of the « Catasto » (real estate tax) in 1427.

The administrative division of the city – originally divided into quarters, then into sixths – remained after the expulsion of the Duke of Athens (1343), divided in quarters, called of San Giovanni, Sta. Maria Novella, Sta. Croce, and Santo Spirito, in their turn subdivided into four gonfaloni: Golden Lion, Dragon, Keys, and Minever were the gonfaloni (or banners) of San Giovanni, Viper, Unicorn, Red Lion, and White Lion, were those of Sta. Maria Novella; Cart, Ox, Black Lion, and Wheels, of Sta. Croce, and lastly, Ladder, Shell, Whip, and Dragon of Santo Spirito.

All the « Prestanze » of the end of the XIV. cent. and of the beginning of the XV. cent. – and there are a few thousands of them in special volumes – have a fine parchment binding with the emblem of the gonfalone to which they belonged, painted on the cover of the volume. The cover reproduced here, on which we may read « Prestanza XIIII. » and the year « 1394 », is of the gonfalone of Red Lion of the quarter of Sta. Maria Novella.

(*Florence – State Archives*)

U. P.

TABLE II

«Prestanza» of the year 1408, of the gonfalone of the Whip, in the quarter of Santo Spirito. The continual succession of loans, that were repeated several times during the year, made it necessary to distinguish them by progressive numbers and different names, often rather complicated. Thus the present one is entitled «*Quinto achatõ d-un piacente, d-una* 1/2 *d-una cinquina o una della novina*»; or transcribed into modern language: « Fifth gathering from a " piacente " of a half, a fifth or of a ninth ». The word « piacente » (willing person) is a graceful, not to say witty euphemism referring to the contributors: later it was called, with greater sincerity « dispiacente » or unwilling person!...

(*Florence – State Archives*)

U. P.

residue which was called «substance» or «the superabundant» – they had to pay a tax of 1,5%.

It was undoubtedly, a victory for the people, but it was obtained with the help of the Medici family, or to be exact, the father of Cosimo the Elder, and a good instrument for the dream of princely greatness now not too far distant. A victory of the people, who had the satisfaction, as we read in the « History » by Jacopo Pitti, of seeing « those who used to pay 20 now paying 300 », but who also had the illusion of establishing peace, for, says Machiavelli, « they (that is, the rich) would regret not being able to start a war without any loss, for they had to contribute to the expenses, the same as others ». But wars continued, and they gave cause for heavier taxation. In 1443, to meet the financial obligations contracted during the campaign against the Visconti of Milan, Cosimo, already the actual head of the city, even if not by name, introduced, still on the basis of the entries in the land recording books, a further extraordinary taxation, to be added to the normal one, applying the so-called « scale system » (in modern terms, progressive tax) from 4 to 33% according to whether the incomes were of 1 to 50 florins or of 1.500 onwards. That makes one think, I mean the principle of progressivity, of the petition submitted by the lowest classes on July 21st, 1378, asking « quod quicumque est descriptus in libris prestantiarum a quatuor florenis vel abinde supra, possit solvere ad perdendum soldos viginti florenorum parvorum pro quolibet floreno et ad rationem floreni, et sic solvendo exinde sit liber et absolutus », while the others, burdened with 4 florins onwards, should have paid half of what was due.

The « scale » which on its first application was called « the gracious » as it favoured those less endowed by fortune, had a further application, harder because it was arbitrary, in the « decina dispiacente » (« displeasing ten ») of 1447 («ten» from the ten officials charged with its execution, «displeasing» because those officials were granted, or were attributed exceptional power).

THE GOLD FLORIN

In outlining some features of the economic life of Florence taken on the whole, before pointing out particularly the economic groups, and the character of subjects of economy, we must say that a decisive factor in the greatness of the city, was the coining of the gold florin. Whether it slightly preceded, or followed, the gold money of Genoa is not very important. What counts, is that the year 1252 marks a fundamental date. On account of the uncertainty of money in those times, there was really need for economy, especially where international trade was concerned, to be anchored on solid money, and remain unaltered. The Florentines not only created a coin of high value, but also bound themselves not to modify it in any way; and they also chose a beautiful one, so as to be an expression of their pride and religious faith. On one side, the Lily, artistically designed, was the symbol of the strength of the Commune of Florence, as the portraits of Emperors and Kings were the expression of their sovereignty; on the reverse, the Patron Saint of the city, St. John, at whose baptismal font, from Dante to the humblest citizen they were consecrated as Christians and Florentines.

Thus the gold florin, afterwards imitated by other countries, though never equalled in the perfection of its style, dominated the markets everywhere, and constituted the model for comparison with all other moneys. In short: it fulfilled for centuries, the function the pound and the dollar were to fulfill later on. In this way, I insist, Florence did not only favour herself, but made the increase of world-wide trade exchanges, safer and more sound.

TABLE III

In 1252, with the purpose of furnishing to their ever increasing and vaster commercial relations, a more adequate monetary circulation, the Florentine Republic decided to pass from monometal silver coinage to a bimetal one, by coining some new money made of pure 24. carat gold, which as it bore the individual stamp of the Lily of Florence, became known as the « Florin »: a name already used, for the same reason, for the former silver coins. This constituted an event of exceptional importance as the new Florin, upheld by the political and commercial power of Florence, was very soon accepted all over the civilized world, forming, as Villani wrote: «almost the common coin of Christendom». It became in fact, the sole basis of commercial dealings, and all other money was valued by its worth.

Like the preceding silver coin, the gold florin – which remained unaltered for about three centuries, until the fall of the Republic, just to show its steady unchanged power – had on one side the Patron Saint of the City – « the sealed coin of the Baptist » Dante was to call it later – and on the reverse, the Lily, emblem of the Commune. A coin also artistically beautiful, as fitting to belong to Florence, « pleasing to the eye and showy », wrote Borghini of it.

The Florentines were always proud of the power of their florin and many are their testimonies of it, but perhaps none shows the people's pride better than the simple words of a humble poet, who in his enthusiastic admiration, raises the florin to a point of comparison with the most perfect beauty of young women – of the greatest charm and attraction, we would say nowadays – « May they be more beautiful than florins »!...

This pride was well justified in the Florentines, when we remember that their money was imitated and counterfeited by Popes and Kings, Archbishops and Princes, Dukes and Counts, all of whom, to make their own coinage acceptable to their people, placed their name beside the image of the Baptist, and the unaltered emblem of the Lily.

Quite twenty-nine imitations are known today, to testify the undoubted economic supremacy of the Florentine coin.

In our table are seen, above, the three chief types of the Florin on both sides: the narrow florin of 1252, the first « broad florin » of 1422 and the second broad florin of 1459.

There follow a few imitation ones which we list in order: 1st., John XXII. Pope at Avignon. 1316-1334; 2nd. Urban V. Pope at Avignon, 1362-1370; 3rd. Karubert, King of Hungary, 1308-1342; 4th. Ludwig, King of Hungary, 1342-1382; 5th. Peter IV, King of Aragon, 1336-1387; 6th. Albert, Duke of Austria, 1330-1358; 7th. Ruprecht of Bavaria, Count Palatine, second half of XIV. cent.; 8th. Raymond V, Prince of Orange, end of XIV. cent.; 9th. Charles the Dauphin, Dauphinée, 1349-1364; 10th. Free City of Lubeck, probably, 1375; 11th. Wernerus, Archbishop of Trèves, 1388-1418; 12th. Etienne de la Garde, Archbishop of Arles, XIV. cent.; 13th. Wenceslas, King of Bohemia, XIV. cent.; 14th. William I. Duke of Julik, 1357-1361.

All the imitations, and the long series of these known, which is certainly far from being complete, were struck during the XIV. cent. Afterwards in fact, the Florentine Republic, by protective laws, succeeded in stopping the increasing phenomenon of counterfaction.

(*Florence – National Museum and a Private Collection*)

U. P.

THE ASSOCIATIONS OF BUSINESSMEN

PEAKING of the revenues from the «gabelle» (taxes), between 1336 and 1341, and of the Bardi's balance sheet in 1318, I have already compared data regarding public and private economy. To refer to the latter means, first of all, to sketch a picture of the labour forces in Florence, which were developing at the same time on two planes: on one side the mass of the craftsmen, on the other, that of an « élite » which shows groups of various grades.

The mass being more remarkable because of its number, many historians – Werner Sombart expressing them all – spoke of the uniform artisan merely directed to existence, thus denying any possibility of capitalism which I think, on the contrary, goes back, in Italy, to the years of the first Crusades, and in Florence I find it widely developed in the XIII. and XIV. centuries. Without undervaluing the weight of the majority, the minority must not be forgotten, which, by operating with a mentality conforming to the system, reached achievements proper to the system. I appreciate the craftsman whose personal work was raised sometimes to the level of a work of art, but I also admire the businessman, an artist in his turn, in creating enormous fortunes, not only by overcoming numberless outside obstacles, but also by living intensely the drama of those who, while opening new ways in contrast to the traditional ones, feel the continuous torment of their conscience; while I cannot forget that this minority – the forerunner of a future in which, because it had taught others, would be a minority no longer – in the years when it was said it had the destiny of the city in its hands.

THE « COMPAGNIA » AND ITS JURIDICAL STRUCTURE

We must see, therefore, what juridical, economic, administrative structure those men, – I do not hesitate to call capitalists – gave to the companies they formed, and what they were able to achieve through the operation devices represented by those companies.

That is to say we must speak of the « compagnia », the forerunner of the present day partnership. Though it is true this was characteristic of all inland towns, while the sea towns had a type of partnership called « commenda » or « colleganza », creating in its turn the limited partnership – it flourished in Florence on account of the steadiness and timeliness of its development, besides the grandiosity of its achievements.

The essential element, for members to engage all their riches (unlimited liability) and to be liable for each other, in case the company could not meet its obligations with its own patrimony (joint liability), was mutual confidence. For this reason we find companies formed, at first, exclusively by members of the same family group, who would appraise in the same way both social and family honour. Fraudulent bankruptcy would have been as shameful as the flight of a relative from the battle-field, or his rejecting the peace sworn collectively with the adversary, or personal theft, or murder, not owing to revenge decreed by the entire family. Just as persons living under the same roof, sitting at the same table, eating the same bread « compagni » (companions) trusted one another, the reputation of the family was the best guarantee for those with whom the company had business relations. But the basis of the credit, on which the fortune of the company was founded, does not lie only here: it also lies on the real securities provided by the joint ownership of the families, and by the property of the single associates. Whoever walks in the streets of Florence, and in the environs of the town, will see on the palaces of entire streets, and whole squares, on villas, and even on the houses of the workers on the vast zones of the country, the coats-of-arms bearing the « pears » of the Peruzzi; the « lozenges » of the Bardi, the crossed « chains » of the Alberti, the « lion » of the Gianfigliazzi. If that continual increasing of property in town and country, was partly owing to the shrewdness of the divers investments, and partly also to ambition for a life led with magnificence, it was also foreseen that an ever increasing number of clients would entrust to the firms, and deposit for interest, sums, that invested in their speculations, brought them greater freedom of action.

Meanwhile, however, they felt the need of increasing also the company assets (called « corpi di compagnia »), and so, after a certain period, they admitted members outside the family group. Usually they sought to have the capital of the primary family, superior to that of the new members; but

in case, as sometimes happened, that the latter should prevail, the name remained original one, thus showing the prestige the old names and styles enjoyed. Even more: also the juridical structure of the company was steady, while at Siena, for instance, at the time of the crisis of the « Magna Tavola » of the Bonsignori, it was asked of the Commune that they should not be liable to third parties jointly. Such a request, logically put forth by members outside the group of founders, unwilling to make a very heavy sacrifice to save the honour of a name that was not theirs, was accepted by the « Government of Nine », which, anxious to heal a temporary, though truly serious situation, reached the result of endangering the already rather shaky fortune of all the city firms. They had previously disgusted, because of their political Ghibelline tendencies, the greatest client of the age, the Roman Church, while now they were losing all their clients by depriving them of a guarantee, upon which they had a right to count. When they tried to remedy the situation by not repeating in the next « Statutes » the rule included in that of 1310, it was too late. When I spoke of the steadiness of purpose of the Florentine « compagnie », I had in mind exactly the consequences of this steadiness; in fact at that moment the Florentine companies, already favoured by their Guelph policy, and by the coinage of the gold florin, reaped great advantage from the second economic error of their Sienese competitors. And it was a lasting profit.

Fig. 6. – San Marco.

By continually increasing their size, the companies established more and more numerous branch offices in the most important market centres, starting with those that were also political centres. Thus the Bardi and the Peruzzi had branches in Italy at Ancona, Aquila, Bari, Barletta, Castello di Castro (Cagliari), Genoa, Naples, Orvieto, Palermo, Pisa, Venice; and

abroad at Avignon, Barcelona, Bruges, Cyprus, Costantinople, Jerusalem, London, Majorca, Marseilles, Nice, Paris, Rhodes, Seville, Tunis.

These branches were directed by members, or high officials with more or less vast powers – thanks to special or general powers of attorney – and were connected with the main office by means of messengers, who carried out a mail service quite regularly: for the messengers, leaving sometimes from one company, sometimes from another, used to carry the correspondence of them all. This is a proof of the solidarity of the merchant class, with only one limit in the, let us call it, gradual distribution of the letters: the messenger had to deliver first, the letters for the company to which he belonged, and afterwards to the others. « If you are a merchant » writes Paolo of Messer Pace from Certaldo « when your letters are tied up with the others, keep in mind always to read yours first, before giving out the others. And if your letters should tell you either to buy or to sell some merchandise for your own profit, immediately call the broker and do what your letters tell you to do, then give out the letters which came with yours; but do not give them before you have transacted your own business, for those letters might say something that could ruin your business, and the service you would have rendered a friend, or a neighbour or a stranger, would be of great damage to yourself, and you should not serve others to the undoing of yourself, or your business ».

Such big and complex enterprises as those, required an adequate organisation as to personnel and system of bookkeeping.

The personnel was scheduled on a long hierarchical scale according to their tasks: from the lads (whom we would call shop-boys or ushers), to the apprentices (young men training in order to learn the trade), up to the clerks called by the general name of « managers » and divided into book-keepers or accountants, and « key-men » or cashiers, at the head of whom was put a chief accountant who distributed the work, and had to provide the directors with the elements for the « saldamenti » or balance sheets. As it is to-day, there was then an agent, having power to act for the company, within the limits of the power of attorney granted to him, which power of attorney I said was either special or general. Finally there was also the legal department, constituted by the notaries, who had a salary like the rest of the staff, and combined the offices that nowadays are divided between lawyer and notary: some had to draw up the deeds, others to plead their cause in Court, and defend the cases of the company.

Fig. 7. – San Jacopo in Campo Corbolini.

As some of the books of a few of the companies have survived the destruction of time and the negligence of man, we have had the opportunity to form quite a clear idea of the number of that personnel. From the « secret book » of the Peruzzi there appear, between 1331 and 1343, the names of 133 managers, and 346 names from the Bardi books between 1310 and 1345, and, this can be said by the way, a *curriculum vitae* for each one of them is followed, from the initial salary and subsequent increases, bonuses, fines, to changes of place of work from Florence to the other branches, voluntary resignation, or those justified by inefficiency, illness, or dishonesty.

Fig. 8. – Sant'Antonio.

With regard to bookkeeping, it is not necessary to enter deeply into discussion of when the system by double entry started, nor into the research about the priority of such a method, which is however much previous to the time of Luca Paciolo. Undoubtedly they used a number of books, whose function was not exactly defined. As a matter of fact, however, the much accused « jumble » of entries, might cause complications, but never confusion; as is unfounded the other statement that this « entanglement » of entries was not only due to inability, but even to wish of being obscure, so that only the manager and the bookkeepers could take their bearings in such a stormy sea. It is affirmed, at the same time, that each merchant and each company kept their books in different ways, for there was no school to teach uniform method. Now: it is true that the Statutes did not provide for basic principles of bookkeeping, neither did they provide for the official registration stamps, but completely forgot about any duty of keeping such books, and simply claimed that those who wanted to introduce the books as evidence before a court, to support their rights which others had contested, should take note of the entries in chronological order, writing them very clearly, without any erasure; only on these conditions would the books be evidence in their favour.

There was also a difference, if only a relative one, between the bookkeeping of the various companies. However, to deny the statement of willing obscurity, it is enough to have in mind that whenever there was a bankruptcy, and the Commune of Florence appointed the appropriate trustees, they – who solemnly gathered in a church, – the Peruzzi auditors for instance in Santa Croce – were able to find their bearings, and could always settle

the measure of the failure of their money. And with regard to the confusion, without thinking it was volontary, and with reference only to mere ignorance, we must add that the ignorant are those who have not perseverance enough to look for, and are not able to find, the key to the times, proudly thinking that nothing else could have existed beyond the modern key. It happened to me, instead – while looking through some books of a company carrying on the « Arte of Calimala » (the Drapers) – to register entry after entry according to present day schemes, and find at the end, without one lira difference, the same figure of the profits and losses, with the same results as those of the ancient bookkeeper.

It is therefore more a question of form, than of substance; and a demonstration, which of course upsets the previous thesis, that the merchants understood the importance of bookkeeping, and deliberately organised it in such way, as to make them aware of the condition of their business.

THE MULTIFARIOUS ACTIVITIES OF THE COMPANIES

One last point. The companies carried on several activities. This is another favourite argument for those who deny a capitalist mentality and praxis, in the Middle Ages. We may admit, they say, that the economic structure of the time was not only dictated by the guilds and their statutes; let us admit that the businessman had a good specific education; but is not the lack of specialisation in the work of those we pretend to call « great firms » itself the decisive proof that we have before us mere artisan practice?

It is true that the Florentines practised at the same time trade, industry and banking; it is also true that the capitalist system in its evolution, turned more and more towards specialisation. But it is undeniable too that even without specialisation the results obtained by the companies of the Bardi, the Peruzzi and the Acciaioli may be set beside those recently attained by the magnates operating in the different sectors of trade, industry and banking. And I would like to add more; if in recreating history we would endeavour, or even better accustom ourselves, I will not say to ignore our experiences, but to consider, and therefore to live again the life of the single moments, with the eyes and souls of the men who lived in those times; if, thinking of the distance covered by our enterprising Florentines, let us not forget the ways they took and by what means; if we view the difficulty of so many languages when there were no schools of languages nor of interpreters; if we consider the uncertainties of so many coins that had to be weighed one by one after being tested with the touchstone, and the differences of numberless laws provided when it was not a question of mere custom; if we keep in mind the lack of gold and silver and of its high, even if not determinable, purchasing power; if we bare in mind that London in the XIII. century was more or less like a village in our days; if we take this due trouble, I think I can even affirm that if those merchants of ours could come back for one moment on our earth, they would not feel such admiration, as so many modern historians show, for the business greatness of the modern magnates, even if expressed in the brutality of bare figures. And, besides, is it not just a recent conquest of capitalism, the rationalisation of those who manufacture automobiles with their own material, take them by their own means to the markets where they place them, and by their own means finance the whole difficult work? Is the name of « capitalist » ever denied to him who, owning a gigantic textile factory, builds cinemas, equips hotels, issues shares on the Stock Exchange? In the light of these considerations, I should say there was a uniform artisan spirit in the Middle Ages, only on one condition, that the great operators of the XIII. and XIV. centuries had mixed all their activities at random. While exactly

the contrary is true, that is, they practised the said activities for a deliberate purpose. To refer again to the Bardi and Peruzzi (the best known and studied) it was natural for them to have cloth made: – I have already mentioned the importance of the textile industry in medieval economy in general, and in Florentine economy in particular. – Then they sold those manufactured goods, realising that in order to overcome competition on foreign markets to the advantage of avoiding the cost of an intermediary, they could add the advantage (I have mentioned that already) of exporting to those centres first quality goods, for the manufacturing of which they had given very low wages. At the same time they were soliciting deposits, for the same reason, because for them it was more convenient to pay interest to their customers, than to a bank. After all, several years before, had not the Genoese, Benedetto Zaccaria, also multiplied his profits by carrying on at the same time more than one activity? He obtained from his Government the monopoly of alum at Focea and had completed it by becoming the sole buyer of the mountains of the Ponto, had fitted out ships to transport it to the different markets, had established in Genoa a dyeing-works to which the cloth manufacturers applied. The important thing, therefore, is, – and I will conclude – not to consider from the outside the multiplicity of the different operations, but to realise how those activities were connected and coordinated, and what results were derived therefrom.

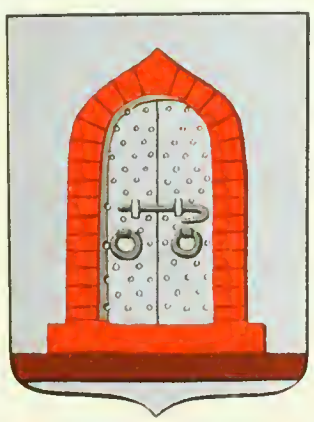


Fig. 9. – San Barnaba.

As years went by, though the principle of the unlimited and joint liability of the « compagni » (associates) of the companies remained unaltered, we see a modification in their structure, as proof of ductility following the gradual change in economic conditions. In a world which, – after it received from us the initial impulse, more and more acquired its own energy, for everywhere local businessmen were affirming themselves in various enterprises, – quicker decisions were required in settling business, and a more elastic manner of managing capital. Thus the rigidity of the companies began to weaken, both as regards the ties imposed upon the members, and for that which pertains to the dependence of the branches on the central office. Just to mention one thing: in the first contracts to create partnerships, we find prohibition to the « associates » to join other companies, besides that of carrying on transactions of their own, on penalty of confiscation of possible profits, and the obligation of depositing their own money, besides that put into the « Corpo di Compagnia », with their firm « outside » the Corpo di Compagnia. Gradually, later, we find members of the same family and company, taking the intiative in personal speculations, without giving any account of them, and concurring in the speculations of others, both individual and collective enterprises. At the same time, they aimed at opening to the branches, a road to autonomy, juridical autonomy included, until each one of them constituted an entity by itself, with common and different members, though all coordinate in their action, owing to the fact that the family owned in each one of them, we would say in modern terms, the majority of the shares, ... This kind of « holding company » *ante litteram*, still maintaining the old

and sole name of the company, the basis of the old prestige thus remaining unaltered, gained with a free hand and, as I said before, in timeliness, to meet situations more fluid than in the past.

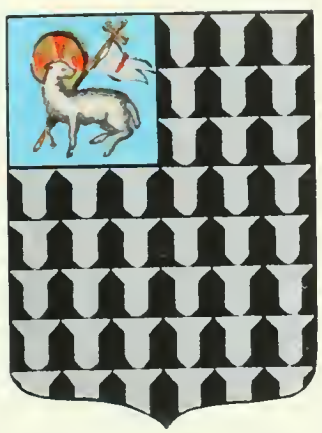


Fig. 10. – Santa Maria degli Angioli e il Tempio degli Scolari.

Meanwhile in Florence they began to introduce also the other form of business association the « commenda » called exactly by its definite name « accomandita » (limited partnership) and regulated by Statute.

As the Statute providing for limited partnership is dated 1408, it was thought of in close connection with the conquest of Pisa: only after Florence had finally achieved an outlet on the sea, could its merchants have established the type of association already used in coastal towns. It is easy, on the contrary, to assume that the law did not precede, but even followed, and provided for something that little by little they had been using. And this assumption is supported, after all, by the preamble to the Statute itself where it can be read that the merchants asked the « Signoria » (Governors) for permission to do business as was done in all the other countries, and not only on the basis of statutory rules, that consider only the regulations of the company, rules that « otherwise they would be induced to violate ». Really, if one may speak of violation, considering that the statutes did not prohibit, but limited themselves not to provide for the « commenda » and the « colleganza », that violation must have been carried out before.

The colossal bankruptcies in the middle of the XIV. century had just proved that total catastrophies could happen even besides the *fortuna maris;* and shrewd men, who were more and more substituting prudence for boldness, must have started, in the second half of the XIV. century, to protect themselves by limiting their own liability to the capital paid up. Later on, when the new method was diffused, it appeared to be advisable and necessary to regulate the matter by Statute, which in time was perfected, till it reached

the characteristics of the present day. This way may be studied, through the regulations of 1495, of 1577, up to those of 1713; while he who looks through the unpublished « records of limited partnerships » in the State Archives of Florence, will find further confirmation of the hypothesis I made, to set the date of the actual introduction into Florence of the Genoese and Venetian « commenda », to earlier times. Said confirmation will be found, at least, in this: that after the Statute of 1408, the recordings were not usually made at the moment of the creation of the Company, but for the most part they were provided afterwards, probably when, if the waters became troubled by any chance, it was convenient to take shelter in the legislative text. For this very reason, as years passed, it was provided that transcriptions should be made within a limit of thirty days from their creation, for limited partnerships set up on Italian markets, and of sixty days for those on foreign markets; after this term, they could not benefit by the liability, limited to the capital which had been paid up and declared. In the same way, whilst at the beginning, and for a long time we find (this is obvious) the specification of the sum invested in a limited partnership, we do not always find the names of the limited partners. « I, Francesco Buontalenti » thus in a document of 1562 « deliver to Matteo Sogliani *tot* money to be invested in a limited partnership, for me and for a secret friend of mine C., for whom I, Francesco, wish to be acknowledged, and I shall make arrangements with my said friend ». Those who go through those records, of course, will also see the continual increase of entries; that is to say, he will have the measure of the ever wider favour the new type of company enjoyed, as it was by now side by side with the old time « compagnia ».

At this point it is easy to realise what happy results could be derived from the connection between the surviving, modified « compagnia » and the more widespread and better regulated limited partnership. While there was being constituted a system bound by the real ties of operations between the companies, besides the personal ones, very frequently the ties of this double order were established among « compagnie » of family branches, differing, especially as regards operations, and also with the participation of members of the different families in the capital of the same company, which might be a « limited partnership ». And besides this union in a horizontal sense, there was also that in the vertical sense: through their own company it was also possible to take a share in the capital of others, where an association of the previous type had already been established.

Fig. 11. – Sant'Egidio e ospedale di S. Maria Nuova.

Still dealing with the instruments of work of the Florentine merchant, we must say a word about the bill of exchange, stating in advance, what is well known, that the endorsement is a decisive means to potentiate its function, and remembering that up to a short while ago, endorsement was regarded as going back to the XVII. century (it was thought not possible before).

A very recent discovery in the Medici Records in the Florentine Archives has permitted us to put back its date one century, which makes one suppose as usual – it is unlikely to think that we had found the very first endorsement – the possibility of an even earlier date. I do not intend to overvalue this discovery. By the beginning of the XVI. century, many other towns in Italy were so developed in banking, that one would not be surprised to find, about the same time as the Florentine endorsement, a bill of exchange carrying, let us say, a Genoese, Venetian or Lucca endorsement; and, on the other hand, the priority *ad diem*, besides being impossible to establish, has no importance in history. At any rate, the documents I have reported, have their own interest. The historian in fact, places logically in the whole of his knowledge of the economy of the time, the fact that the oldest evidence of endorsement known of up to now, was found in Florence, and was due to the extremely able merchants of this city.

THE FLORENTINE MERCHANTS ABROAD

It is just the results of the work of our merchants that constitute the test of the relation between both the instruments of work and the geniality with which they were used: which results appear even more imposing if we realise that the effort was concentrated within a relatively short time. I will repeat that: at the beginning of the XIII. century, the Florentines moved towards their great adventure; in the middle of the XIV. century they had concluded it, laying such bases as to secure for themselves an outstanding position, though not absolute preminence, until the end of the XIV. century.

Nor were they few, that is, it was not a question of rare exceptions. Only in the course of my studies, naturally directed also to other interests, I happened to find a number of companies, from the medium ones to the big ones, bearing the names of Acciaioli, Alberti del Giudice, Albizzi, Amieri, Ardinghelli, Bardi, Baroncelli, Bonaccorsi, Buondelmonti, Capponi, Cerchi, Corsini, Datini, da Uzzano, Del Bene, Dell'Antella, Falconieri, Frescobaldi, Gianfigliazzi, Guadagni, Magalotti, Medici, Mozzi, Pazzi, Peruzzi, Portinari, Pulci and Rimbertini, Scali, Soderini, Spini, Strozzi, Tornabuoni, Velluti.

What I have called the test of an intelligent and tenacious toil will be proved by a short history of particularly significant companies, starting from those of the Frescobaldi, the Bardi, and of the Peruzzi, which though operating on every market all over the world, bound their fate to operations in England, where in the space of hardly half a century, they followed each other, reaching the apex of success, then precipitating into the abyss of bankruptcy.

England was the country richest in attraction for enterprising people. On

Fig. 12. – San Michele Visdomini.

one hand, in the pastures surrounding the feudal manors and the monasteries, were valuable sheep, with long soft wool – a breed not known anywhere else. On the other, the lay and ecclesiastical owners of those flocks needed money so badly, that subsidising them and being paid back in wool, was wonderful business. And there was something more; there were the Kings, whose safes were as empty as those of their subjects, while they would need more than abundant and regularly flowing means, to carry out their political aims. Therefore they too needed loans. As the fittest for this purpose were the Italian merchants, the Kings overcame the obstacles of the law prohibiting to foreigners a long stay in the kingdom, by granting special permissions, of « safe-conduct », that were renewed for ever longer periods of time, and permitted such safety as to induce the establishing in London of branches with permanent offices. In the same way was overcome, – still in the King's pre-eminent interest – the resistence of the local guilds (something similar, though not identical to our « corporazioni ») which disliked foreigners' reducing their privileges, i. e., the monopoly of negotiations. As the local merchants had not means enough at their disposal, such as to apply themselves to operations on a large scale, they eventually accepted a kind of division of labour; the Italians should take care of the imports and exports on a large scale, but not of the retail sale which, after all, did not interest them. A great question, however, was that of the customs' duties, which according to law, ought to have been differentiated, lower for the inhabitants of the kingdom, and higher for the foreigners, while the latter, relying on the necessity of the Court applying to them for big loans, insisted on a general levelling. At last they too achieved the result of paying according to the measure of the « ancient custom », and not that of

the « new custom » which had been established on purpose for them. Furthermore, there was the problem of returning the borrowed sums, which was guaranteed by assigning to the creditors, the revenues of the duties owed to the King. The same was happening in Florence where we saw the loans secured by the revenues of the « gabelle ». It is obvious that also in England, as here, they were always behind in paying back money. With this difference however. Increase of the Public Debt with us, though making the situation heavier for the operators of economics – for they were forced to be content with the payment of interest only, on large sums deviated from their course, investment in business – did not constitute the danger of a debt contracted by a foreign sovereign, who at any moment might repudiate it and drive the troublesome creditors from his kingdom. This usually happened in future, so that our largest companies were all like giants with heavy bodies, supported on extremely weak feet, true colossi with feet of clay.

Fig. 13. – La Badia fiorentina.

THE FRESCOBALDI

In the foreground of this situation appear first, among the Florentines operating beyond the English Channel, the Frescobaldi, who took the place of the Riccardi from Lucca, who had in previous times monopolized relations with the Crown, since the time of Henry III. and were declared bankrupt in 1300 during the reign of Edward I.

We find the first record of them in 1277, when they participated with the Cerchi, the Bardi and the Falconieri, in two loans to the King for 2.000 pounds sterling; and the second one in 1280, when at the Papal Court they had a deposit of 3.000 divided into a syndicate consisting of, besides themselves, the Bonsignori from Siena, the Scoti from Piacenza, the Riccardi from Lucca, the Cerchi, the Mozzi, the Pulci and the Rimbertini from Florence. This makes one imagine that they were already in London, and at that time had created for themselves such a position as to be trusted by Prince and Pope, who since 1277 had substituted the merchants of the Italian companies, for the pontifical tithe collectors, who had formerly collected the tithes due from Christendom for the crusades.

For further increment, they merged into one company the two already existing: that of the « white » Frescobaldi, and the one of the « black » Frescobaldi, which reproduced inside a company (the same happened in the case of the Cerchi) the political schisms of XIII. century Florence. In 1298 the « neri » had given up, and in 1299 we find the sole existing firm, engaging to free Hugh de Andeley, « the faithful servant of the King », who was kept prisoner in Gascoigne, giving surety to the King of France that they would pay 2.000 « livres de Tours » if England would break the truce agreed upon in that region. In the middle of 1310 the debt of the Crown to them totalled 122.373 pounds sterling 9 s. 3 d. But, though the sum is remarkable, it is not

the main point; merely to have an idea of the standing of the Company, it is better to recall the business done with the higher ranks of English society, beginning with the Royal family. In 1304, one of the managers of the company accompanied to Paris, Edward Prince of Wales, the future King Edward II, sent by his father to pay homage to Philip IV. le Bel (the Handsome) for the Duchy of Guienne; he accompanied him and provided the necessary money, as the expenses had been left to his « discretion ». The Frescobaldi had provided other aid shortly before, to John, Duke of Brabant, the husband of Margaret, daughter of the King, who had exceeded, by his expenses, the rich allowance his father-in-law had granted him.

At the same time the loans to private persons, make known to us the most notable members of the English nobility and clergy, who, as a security to their debts, created mortgages to the company, on lands and castles in the counties of York, Oxford, Buckingham, Hereford, Nottingham, Essex and Warwick. And it is not without significance that the high officials of the Wardrobe themselves, such as John de Drockenesford, and of the Exchequer, John de Sandale, were debitors of sums in exchange for favours, either granted or to be granted, which sums evidently were never paid back.

And lastly, even the officials of the city of London were compelled to ask aid of an Italian syndicate to which the Frescobaldi belonged. It was in 1289, when London wanted to redeem from the first Edward, with a big disbursement of money, the dues obtained a century before, in 1191, and afterwards abolished in 1285. The autonomy was obtained, though very dearly; and how the Londoners felt towards the « Lombards » (a general term then used for Italians) is proved by the assault upon their warehouses later, though they were defended by the troops of the King.

Meanwhile, Edward had squandered sums of money, in the wars against Scotland, – that tenaciously defended its own independence, – and the Frescobaldi who had lent them, had ever greater pretentions to the State revenues. Though they never reached the longed-for monopoly of the revenues from the « customs », they had however been granted the collection of those customs in many ports, and in Ireland had even one of the keys of the safe where the customs' seal was kept. Shortly after, Edward II appointed them « controllers » and « receivers of the collectors » with a salary suitable to such an office. In 1309 he exonerated them retroactively from 1303 – that is providing the reimbursement of what had been paid, – from paying the extra or new « customs » in comparison with the old one. Other grants were not less considerable: in 1299 the « custody and running » of the silver mines in Devon, and the treasury office in the counties of Ponthieu and Montreuil on French territory; in 1300 the custody and management, at their will, of the « exchange » in several counties, and in the following year, of the very important ones of London and Canterbury (which office was entitled to the coinage and exchange of money, with the percentage dues of the minters

and money changers); in 1307 the treasury office of the Duchy of Aquitaine and Agenois.

As if this were not enough, Amerigo, the director of the company, and privy counsellor to the Crown, and his brother Bettino, obtained the management of manors with a feudal title, by paying just one penny a year as recognition of royal ownership; and the prebendaryships of churches of sovereign right; and members and managers had the power of covering public offices up to that of mayor, and the right to refuse, when invited, in case it was not convenient. We may say that this was something more than citizenship, in-as-much-as they enjoyed the rights of those citizens but were exempt from their duties.

And lastly, and I could go on, the King reserved himself the right to review the judgments the magistrates might have prononced against them, to reverse them, and, as *extrema ratio* to grant a free pardon and acquit them. That once happened, for instance, when the Frescobaldi, caught in the very act of contrabanding good money, and fined by the Chief of the Wardrobe, were forgiven, and immediately even entrusted to buy in Ireland the counterfeit pieces, « pollards » and « crockards », and to recoin them at the exchange of Dublin they were directing. The pardon, besides, might be extended, by their intercession, also to their friends, evidently persons who were in business relations with them. Just to mention one example, a « Gracius de Fresco » had his life and patrimony saved after he had committed murder. While the guilty one was absconding, part of his patrimony, for which a seizure order was decreed, was hidden in the warehouses of the company; then Arrigo intervened, and after he had been to the King's Court, he succeded in having the sentence of confiscation revoked, while his « friend » could return in the « peace of the King ».

Such a situation, though presenting remarkable advantages, implied also remarkable risks. In a way, notwithstanding the multiplying of grants of customs revenues and other financial resources of the State, they usually anticipated more money than they received in return, so that there was a frightening increase in the figures of the credit sum, which would be more and more difficult to collect. On the other hand, it was necessary to face the « Lords Ordainers » entrusted with the control of the King, so that he could not violate the citizens' rights decreed by « Magna Charta ».

The merchants themselves realised the first danger, and in the last days of the reign of Edward I. presented the King with a long list for damages they had met in more than ten years' time, from which list I quote the most significant figures: 10.000 pounds sterling, for having detracted money funds from trade operations; 10.000 for the sudden withdrawal of deposits, amounting to more than 50.000 provoked by the alarm spread among the secular and ecclesiastic clients, when in Florence and in the Flanders there was issued a loan to subsidise the people of Burgundy, fighting in 1294 with

Edward, against the King of France; 10.000 paid as interest to other merchants, who had been requested for loans to be transferred to the Prince.

The second danger came suddenly. In 1300, after the Barons' revolt that caused the dismissal of the creature of Edward, Piers Gaveston, the Lords Ordainers wished to recapture the direction of the State, and above all the control of the finances. The Ordinances they enacted, gave the company the finishing blow, by decreeing that all the taxes of the Kingdom should be collected only by citizens, and should all be deposited only at the Exchequer, where the King only could draw money for the Royal Household expenses, previously borne by the autonomous administration of the Wardrobe. All the foreign collectors would be put in jail till the total rendering of accounts.

Edward, in truth, did everything possible to save « his beloved merchants » whom he had confined, with their riches, in the Tower. There, he said, they would be safely controlled, and he would also be able to provide for the settlement of their rights with their debtors. Actually he avoided for them Newgate Prison, and ordinary justice proceedings, which would have also ended by confiscating all their patrimony. Then, with the excuse that it was necessary for some representatives of the company to go to Florence to claim Berto Frescobaldi's inheritance (he was a member of the Royal Council), and to take over the patrimony of his sons, Amerigo and Bettino, he allowed « safe-conducts » to members and managers of the Company, who in such a way were safe. Then he also granted a little freedom to those who had to stay behind, asserting that after « he was given to understand » they wanted to run away, now he « had their full and formal promise that they would stay ». Lastly, even the King had to yield, and he was compelled to sign a genuine warrant of arrest according to the ordinances. However, at this point the game was already played out. When on March 9th. 1314, the sheriffs went to the Tower with the warrant, they found no one: in the meantime the flight had been completed, of course without passports, the State officials being more or less accomplices. And their most precious objects had been hidden in the last cargo of sacks of wool; they were unpacked at Bruges, and from there, carried home. The only victim was the manager Lapo della Bruna, arrested upon English request, by the sergeants of the Pope at Avignon, and extradited to London. But eventually, he also was able to escape by bribing his jailers.

For many years the Frescobaldi hoped to cross the Channel again. Knowing they were the creditors, and trusting in a change in the political situation – the event of the struggle between the King and his « Ordainers » – they might even be able, though without fully reassuming their old activity, to redeem what was redeemable. They could not achieve this hope however, although on March 23th 1315, they obtained a « safe conduct » to review their financial affairs with the King, during the time they had been collectors of his money in England, from the territories of Ireland, Guascoigne and elsewhere ».

THE BARDI AND THE PERUZZI

AFTER what I have said up to this point, one would think that in England everything had ended in 1310, not only for the Frescobaldi but also for all Italian merchants, the Florentines included. In truth, on the contrary, the blow of the Lords Ordainers was directed only against the most powerful Company, and it does not appear that the other merchants, whom they could not do without, had been molested.

This is an introduction for dealing with the Companies of the Bardi and the Peruzzi who took the place of their colleagues with the Crown, reaching an even higher position, but in the end, suffering the same fate.

The tradition, recorded in the comment of Benvenuto da Imola to Dante's « terzine » about Beltram del Bormio, according to which the Bardi had already in 1182, a branch in London to subsidise the « young King », must be relegated to the world of fable. The first transactions regarding them are one century later: in 1277 they participated with other twenty-six firms in the exporting of 4.235 sacks of wool, and in that same year Edward I. acknowledged that he had received 3.000 marks, collectively from them, the Cerchi, and the Falconieri.

The Peruzzi came much later, as they had concentrated their interests elsewhere. In the South of Italy, where they had favoured, by loans, the triumph of the Angevins, they had obtained, with the Acciaioli and the Bardi themselves, almost the whole monopoly of corn exported from that Kingdom; they were working in France, in Spain, where they were expelled in 1325. for the first time, with other Italians, and definitely in 1332. The oldest document regarding the Peruzzi in England is dated 1306. It deals with the exportation of a stock of wool in a ship, chartered at Hull, which being stranded was sacked by pillagers; a complaint was sent to the King, who opened an inquiry.

The ascent of the two companies dates from 1317, when John XXII. informed Edward II. that he had appointed them « omnium et singulorum quae in regno et terris tuae dicioni subjectis nostrae debentur Camerae nostros fiducialiter receptores »: that meant assuring them of the clientèle of the high prelates, strengthening their position at Court, making connections with the local Priors of the Order of Jerusalem, after the Peruzzi had been at the service of the « Master of the Hospital » in Rhodes. In 1309, in fact, the Florentine Company, which also owned on that island large estates, and provided for the proper storing of the oil in large cisterns, and produced rose water from the cultivation of flowers in the vast gardens, had been requested to repair the castle for the Knights, and to grant loans.

The years of their greatest expansion were those in the reign of Edward III. with the exception of a short period from 1327 to 1330, a triennium of uncertainty of the political trend.

Here too, as I did with the Frescobaldi, rather than report the figures of each individual loan – for we shall see them all together at the end – I prefer to give some significant examples. They were requested to purchase the jewels, which Edward presented, on the anniversary of his marriage, to his wife Philippa; they provided for the King's travelling expenses, when he went to pay homage to Philip VI. of Valois, King of France. For payment of the loans, they received 10.000 marks sterling, which the King of Scotland had promised to pay to the English Sovereign by the Treaty of Northampton in 1328, (and by this means they were introduced to another State and another Court); by the Council of Gloucester in 1329, they were given the charge to supply all the expenses of the Royal Household, paying the daily 20 pounds sterling, which up to that time had been furnished by the local bankers Pole. From this situation arose jealousies and hatreds, to which the injured ones in time were to give vent; that is in 1340, when they had the Florentine merchants assaulted by a mob of armed mercenaries, despite their defense by the King's armed soldiers.

I have just said that I shall not report any figures. I also add that I do not hold it advisable to list grants and privileges, because on the whole, I would only repeat what I said about the Frescobaldi. I would rather emphasise, that those grants were vaster, so vast as to cover all, I say *all* the revenues of the kingdom, in exchange, practically, of the advance of *all* the necessary expenses of the realm.

At this point, it is true, as had already happened with their predecessors, they were aware of the excessive risk; and like the Frescobaldi they tried to lower their sails and steer for harbour, asking in 1336, for the rendering of the general accounts, and for their settlement. Perhaps this request was made without any real conviction; and perhaps Edward as well, without being convinced, accepted it and made an agreement for the appointment of auditors. In fact nothing was concluded. Events precipitated. Now it was

no longer a matter of wars against Scotland, which, though expensive, never exceeded the measure of great episodes. Now the time was ripe for the century-old problem of the Duchy of Gascony, that is to say that there was the imminent beginning of hostilities between the two greatest kingdoms of the time, hostilities which were to open the way to modern times.

Fig. 14. – San Martino al Vescovo.

Between the Crown and the Florentine Companies there had grown such a joint solidarity that could only end in a true and real collaboration (I would even like to use the word alliance). The Crown could not do without its bankers. The bankers, could only choose between withdrawing (I would use the word deserting) or enlisting in the field too, with the mirage of a peerless fortune, or the spectre of an abyss, from which it would not be possible to rise again.

The Florentines were needed, from the first diplomatic and political preparations of the future landing, as we see from the warrant for repayment of sums received « for secret business across the sea »; and immediately afterwards was entrusted to them, one may say, the whole organisation of the campaign which carried away frightening sums; from a loan of 100.000 gold florins, given by the Bardi and the Peruzzi, secured by all liquid and real property of the Throne, to the 50.000 florins obtained by the Archbishop of Trèves by pledging Edward's crown. However, the biggest available sums necessary for undertaking military operations had to come from a business transaction to be carried out by the two Companies: the sale in Flanders of 25.000 sacks of wool granted to the King by Parliament; of 10.000 more owned by them, which they had received in payment of past loans; and of as many more sacks as they could gather from the monasteries. The staff of the

companies was divided into two parts: one was to remain in England to gather the wool, to forward it to the ports and ship it; the other was to go to Flanders to receive it, sell it and supply the army on the field.

The conclusion of the first phase of the « Hundred Years War » is well known. Edward landed at Antwerp on July 16th., 1338, and finding it was impossible to fight the enemy on open field, due to the adversary's tactics, he was compelled, after more than a year, to return to London. Some foresight of what had happened, had in the meantime caused uneasiness among the depositing clients. Our merchants, however, were certain, and they, since October 1338, notified their Branches of how things were going, so that they might not be taken unawares by the news of future, inevitable failure: « for an armed boat – this is how the surviving books read – sent from Barletta to Rhodes, to inform our people on that island, of the news received about the war between the King of England and the King of France, lbr. 203 s. 16 per florin ».

Nor was it sufficient that the King tried to resort to remedies. At first, with an Order of November 28th., 1338 at Antwerp – where on July 28th. he had been joined by Bonifacio, son of Tommaso Peruzzi – he promised large gifts to his « faithful ones »: 30.000 pounds sterling to the Bardi, 25.000 to the Peruzzi, plus gifts to the single partners, managers and their families, for instance, 500 marks « on the occasion of the marriage of Bonifacio Peruzzi's eldest daughter ». Later on, when the misfortune of withdrawal of deposits was at its height, he took them under his « particular protection », and his heir, the Prince of Wales, and the highest Court dignitaries, and the highest Clergymen, guaranteed with himself « to put them back to their former state ».

Hope sprang up again on the day following the destruction of the French fleet at Sluys (June 24th, 1340); but it was just a blaze, which immediately after September 25th, died out with the Truce of Esplechin. Financing had been lacking, not on account of any fault of the Bardi and the Peruzzi, but owing to carelessness and perhaps the opposition of the royal officials. In fact, Edward landed on November 30th, alone and unexpected, at the Tower, dismissed them and made against John Stratford, Archbishop of Canterbury, the memorable charge of treason « for having plotted my ruin and my death ».

The proof that our bankers were not charged with guilt, is in the fact that, not only had the sovereign no hard words against them, but also the Lord Ordainers did not urge such a measure of banishment, as they had previously done for the Frescobaldi. The two Companies, in the meantime, remained in England with the guarantee, annually repeated in letters of protection, embodying the clause «volumus», awaiting the settlement of accounts, which was long, and did not take place with impartiality on the side of the royal officials.

The last trace of the Peruzzi found in the Record Office, is dated 1352. The Bardi held out longer, and in 1357 were reorganised, under the direction of Filippo, and separated themselves from the group of their Florentine colleagues, who were furious at this « treason ». Of such feeling there is proof in a dramatic letter that the Florence Governors sent to Edward on January 30th, 1358, explaining that the members of the family who remained in Italy « facti sunt de locupletibus pauperes et egeni, in tantum quod gravati filiis familiae vi sufficiunt ad sustentamen eorum », and asking whether he could repay some part of the debt, and, if so, not consider only the members of the companies who were living in his kingdom. A still more dramatic proof is given also by a paragraph in Filippo's will, who, nearing his death in 1372, thought of lightening the weight of so many curses, by stating that the partners, fallen into poverty, had spontaneously wanted to be by themselves, owing to the mistrust they had in the uncertain rights towards the sovereign, and fearsome of entering with him, into any more obligations: « super animam meam, in eo statu quo sum, sine dolo et sine fraude et sine aliqua corruptione alicuius partis.... male dicunt qui nos habominaverunt ed habominant, dicentes in dicta divisione et separatione a nobis ingannatos et deceptos fuisse ».

The problems put forward by historians are two: the first is of the moral figure of Edward, who seems to have deceived his financiers consciously; the second concerns the amount of the royal debt.

As for the King, it is obvious that one cannot speak of lack of faith « mala fide »: because there is nothing clearer than a lost war, after which there is not even the possibility, as Edward had not, of paying the salaries of the State officials. To accuse the King of fraudulence would be the same as calling our merchants simpletons, and this is in contrast with what we know about them. They knew the stake they were playing for, they risked it, and lost. That is all.

One must also deny the century-old legend, according to which the affair would still be open between the XIV. century merchants' heirs (if any still exist) and the English Crown. In truth, about fifty years after the bankruptcy, they came to an agreement on the basis of which all questions were settled. In 1391, in the reign of Richard II, Gualtieri dei Bardi having been granted power of attorney by Pietro dei Bardi, on behalf of the Bardi who remained in Florence, declared for himself and for his descendants that he had been settled for every claim towards the English throne, and delivered to the Exchequer, the documents evidencing the rights possessed by their Company. As in the solemn pledge of which I spoke, taken by Edward III., his son, the Barons, Bishops and Archbishops had been jointly liable with him, and as it was believed that their souls would be in pain till the heirs would be able to honour their signatures, Gualtieri « freed » those souls one by one, if I may say so, leaving merciful God to be arbiter and take them to

Heaven: this in the case, of course, that their sins were only those of non payment!

Evidently, it was a compromise, and not a 100% settlement of the account. However the transaction, which I found in the State Archives in London and which I published some years ago in a book, has settled a delicate situation; and, if legends had not taken root, as they do, in truth, even with historians, it should have ended the fable of the eternal debt of the English Crown.

As regards the amount of the sum due to the credit of the Florentines even in this case, beginning from the years in which Giovanni Villani wrote his chronicle, we still hear people speak of 900.000 gold florins to the Bardi and 600.000 to the Peruzzi, the whole amount being « the value of a realm ». The amount which I have ascertained from the books of the English Chancery of Exchequer are much lower. Miss Alice Beardwood, who has continued my researches, has valued them as amounting, for the Bardi, to pounds sterling 93.947.8 s. 2. d., basing her calculations on the documents delivered by the above-mentioned Gualtieri to the Chancellor of the Exchequer: one of these documents contains the sum ascertained by the commission charged with the first revision of the accounts, and another, the promise of gifts up to 30.000 pounds sterling.

The truth, which we shall never learn, is far from both sides. As for gifts, for instance, it is enough to say that the sum of a list of items compiled by me from direct documents, covering the period from February 9th, 1328 to April 20th, 1345, amounts to twice as much as the sum of 30.000 pounds sterling mentioned just now. Villani, however – who moreover had to write according to what he had heard, the bookkeeping of those last years being in disorder – has obviously exagerated, and not only rounded the sum.

At any rate, the figures, very great even in the lowest ones, have no weight. What *is* important, is the history of the courage of a handful of Florentines, who had in their power a prince so great as Edward III.; and who till events proved superior to any will, and overwhelmed them, made with their own fortune, also the fortune of their own city. Just to give a simple example, one should not forget that the sacks of English wool, in Florence brought work to thousands of workers, and provided the employers with profits, of which to-day we have proof in the artistic beauty of our city.

THE GIANFIGLIAZZI

Up to this moment I have spoken of skill and audacity used for a really great aim. But the aspects of Florentine capitalism in the Renaissance are manifold. Other sides of it will be shown in the behaviour of the Companies of the Gianfigliazzi, of the Alberti del Giudice, and last of all, the Medici.

The Gianfigliazzi are known, even to those who are not professional historians, from the Divine Comedy, in which Alighieri stamps a whole family with the character of the usurer, tortured by the flames of fire, that whirl around in the infernal «girone». He is a figure so despicable, Dante thinks – like that of his companions-in-punishment, his fellow-citizen Ciappo Embriachi and the Paduan, Rinaldo degli Scrovegni – as not to be worthy of showing his face, disfigured by the flames. To be able to recognise to which family he belongs, it is enough to look at the very evident coat-of-arms on his purse, which is also the symbol of a life always greedy for money, the mirror of a man blinded by the splendour of gold florins:

And as I looked at them,	E com'io riguardando tra lor segno
On a yellow purse I saw	In una borsa gialla vidi azzurro
the blue head of a lion.	Che d'un leone avea faccia e contegno.

It is a fitting punishment that Alighieri gives, if referred *only* to one branch of the Gianfigliazzi family, because it is my duty to add, that to it belonged also people far from usurers; rhymers like Geri, remembered by

Petrarch for his « love for Letters »; men of taste (I do not say patrons, but at least generous) like Currado, of whom we hear from Boccaccio, « Currado who is a noble citizen of our town, generous and magnificent, leading a knightly life, enjoys the use of arms and the chase of birds », while Franco Sacchetti writes of the « many bird-hunters who go to supper at night at « Pantano », the house of Currado Gianfigliazzi », between Prato and Pistoia. They also took some part in politics, especially after they turned from the « Grandi » (party of the nobles), to belong to the « People », after the « Ordinances of Justice », and between 1293 and 1530, they had in Palazzo Vecchio, in all twenty-six priors and ten gonfaloniers. Then siding with the Medici during their Principality, some of them before the extinction of the whole family in 1615, had attained the office of Senator.

Also of the Gianfigliazzi we have some bookkeeping records, that allow us to form an idea of an activity, carried on with the same great success in business. I shall add, that from those books, quite an unexpected source, it is possible to place at last, in his real place in the geneological tree, Dante's « nameless » man, Catello di Rosso di Adimaro; as from the Frescobaldi's books there comes another revelation. While up to our day it had been thought that Francesco Petrarca had made his name sound gentler with the substitution of an « r » to the double « c », his surname being « Petracchi »; in the company registers, written when the future poet was a few years old, there appears the word « Petrarca » by which name his father, the Notary at the service of the Company, was called.

In selecting the Gianfigliazzi Company, among others which I might also have mentioned, I have considered more than one thing: they worked in a region, different from the one in which were rooted the Frescobaldi, the Bardi and the Peruzzi; different from the work done by the companies of the time, they were dedicated essentially to banking, completely discarding industry, and, if we have records of some trading on their part, they mostly refer to a few food-stuffs received in payment for some loans to people belonging to any social rank; differing also from the ordinary methods, they did not admit into their business, any partner who did not belong to their family, and if they had associates other than the family, they considered him as a « participant »; they always worked by themselves, using only a very limited number of managers, most of whom were dishonest and with whom they had interminable quarrels.

Provence and the Dauphiny were above all, their zones of operation. They entered those regions at the end of the XIII. century, and we can follow their traces up to 1325. They constituted two companies, to one of which belonged Catello, whose cousin, Vanni di Cafagio di Adimaro, was the exponent of the Lombard usurers, whom Charles II. of Anjou (Dante's « Ciotto of Jerusalem ») wanted to banish in 1294, with a decree against usury. This very Vanni was delegated by all his colleagues, to obtain permission to

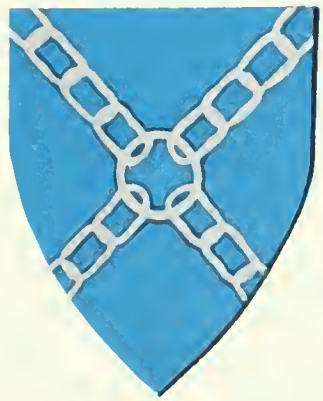
remain in Avignon, disbursing 1.000 silver « tornesi » and 6.000 gold florins, after which the King gave him the charge of supplying arms to the Royal Army, and provisioning the troops.

In the Dauphiny, the Gianfigliazzi were the money-lenders to the Lords of the third dinasty of the La-Tour family, from whom they asked, as guarantee for the loaned sums, not only very high interest, but such grants, that, one may say, deprived the princes themselves of any revenue. They had the running of the salt-mines granted to them, which was perhaps the most important revenue of the State, and also a certain number of castles, from which they received the whole income. Nor were they satisfied with any desultory accounting, but kept their book-keeping continuously up-to-date, so as not to run any risk. The conclusion was, that at the time of their departure from the Dauphiny, the princes were so exhausted, that Philip VI. of Valois was easily able to realise his predecessors' plan, and annex that region to the kingdom of France. Humbert II, put to auction, his dominion, to which also Robert of Naples aspired. The Angevin lost the chance by bargaining on the price. Philip made the purchase in 1343, by giving 120.000 gold florins in cash, a yearly income of 1.000 lire, to the former prince, the payment of his previous debts, and, under certain conditions, of those he might contract in the future. The following year there was the personal connection between the Dauphiny and France, by the agreement that the King's first-born son should be called « The Dauphin »; in 1349 the annexation was complete, and it was added to the kingdom, by the payment of the successive debts, which Humbert had made during an expedition to the Holy Land.

Fig. 15. – Santa Margherita.

Another Florentine merchant, Scaglia Tifi, treasurer to the Counts

of Montbelliard, had been the arteficer of the annexation of the Franche-Comté to France. He, too, had made the princes of this county his debtors, and had compelled them to sell it; furthermore he had remained as administrator on behalf of the King. The Gianfigliazzi did not get so far, perhaps, because they had no time. In the history of the territorial formation of the Kingdom of France, however, their memory is not such as to be forgotten.



THE ALBERTI DEL GIUDICE

Completely different from the activities of the previous Companies, was that of the Alberti Del Giudice family's enterprises, whose characteristic features were extreme correctness in business, and prudence, which they set side by side with their broadmindedness in extending the field of their operations. It was in this way, that even though they went through difficult periods, they never had a bankruptcy. This is really a rare exception in the history of the great Florentine, or rather we may say, Tuscan companies; the family wealth did not undergo any interruptions during its increase. « Nor yet in our home-town » writes in the fifteenth century, Leon Battista Alberti « will you ever find that wealth so great as ours, lasted so long, and without blame. Nay, it seems that in our land. only our family, ever passed on to grandchildren and heirs, such riches. That of other families had, in a few days, vanished, and gone into smoke, as people say, and of some, there remained only poverty, misery and ignominy ».

As to difficulties, that sometimes were due to the situation of the market, they were mostly caused by political reasons, by unfriendly feeling towards the Albizzi, who during the period of their supremacy made reprisals, seizures, confiscations, and forced sales of the Alberti property, and banishment. All this started in 1387. Ten years earlier, one may say, Florence participated in the most spectacular funeral in living memory, at Messer Niccolò's death, whom the diarist Monaldi calls « the richest man that there has been since two hundred years ago »: in 1384 the Florentines had admired the festivals organized by the « Alberti family » for solemnising the taking of Arezzo; they were such festivals that Machiavelli called them « organised rather by princes, than by private persons ». Nevertheless in 1410 the « partners » were able to give John XXIII. a loan of 80.000 gold florins, and, still in their years of banishment, we have other evidence of large sums available, besides love for their small home-town, the very one by which they were being per-

secuted. In a will made at Genoa in 1387, when leaving for a pilgrimage to the Holy Land, Benedetto di Nerozzo, gave orders to build the Sacresty chapel in S. Miniato a Monte, that was to be frescoed by Spinello Aretino, to whom we also owe the still more beautiful paintings in the S. Caterina Chapel at Antella, which was also commissioned by the Alberti family. Shortly after, the sons of the exiled Alberti ordered the construction of the Chapels in the Suburban Monastery of S. Michele in Bosco, and also those of the Camaldoli monks' cloister in S. Maria degli Angeli, which were finished in 1411. In 1392 Antonio di Niccolò, beside the villa called «Alberti's Paradise» started to build a monastery, which he endowed with his property of the Empoli and Montelupo estates.

I have emphasised these works, significant because of the sadness of the years in which they were planned and executed, and I end by saying, that they were added to the several previous works, constructed in happier times, such as the main Chapel in the apse of S. Croce, with stained-glass windows, and paintings by Agnolo Gaddi; the chancel built in the centre of the church, and demolished in 1567, at the order of Cosimo I. who, in its memory, had the limits marked off by strips of marble, joined at the angles with the Alberti coat-of-arms; the Hospital of S. Onofrio for the dyers; the Orbatello Retreat, that received two hundred widows in its seventeen houses, and which at the decree of seizure of all the Alberti property, was administered by the « Capitani di parte guelfa » (Captains of the Guelph Party), the S. Maria delle Grazie Oratory on the side of the Rubaconte Bridge.

Above all this number of pious works, was the dominating square tower of their palace near S. Croce, the pride of the whole family, whose members, forgetting their business, and leaving their horses in the stable on the ground floor, gathered for discussions (like the Rucellai in their famous gardens) under the beautiful porch at the intersection of the two streets, which, still to this day bears on the pillar capitals, the « crossed chains» of their coat-of-arms, and one original architrave.

They also had other palaces, all of them recognisable, despite the larger or smaller modifications, in the above-mentioned S. Croce quarter, and in the district of S. Jacopo, «tra le Fosse» and S. Cecilia, while across the Arno, another great building in Borgo S. Niccolò, stood in the centre of a flourishing farm, near the River Arno banks.

Their country estates were grouped in more than one district: at Bagno a Ripoli and at Antella; – at Legnaia, between Scandicci and the first group of houses in Florence; near Signa, within the districts of Poggio a Caiano, Carmignano and the Gonfolina gorge; farther North, near Prato; on both banks of the Arno between Empoli, Cerreto Guidi, Fucecchio and S. Miniato; in the district between Figline and Montevarchi; in the zone of Casaglia and Pietrasanta, in the Val di Lamone of the Marradi Appenines.

Having listed these places causes me to point out a further characteristic

of the Alberti, in comparison with the other Florentine merchants, who, as I already said, took care of their landed estates, both as a manifestation of grandeur, and for dividing up the investment of capital, but above all to give a real basis to their credit, to which they recurred so largely. The Alberti, on the contrary, far from soliciting deposits from others, kept up their business with their own capital, and were drawn towards the land, mainly by that spirit of refinement, which was later to be predominant in the XV. century and still more in the XVI. century. They considered the country, on one hand as a resort for rest and entertainment – hunting and fishing – and on the other, as a source from which to draw what was needed for food, and more largely for household supplies. To them, it was great satisfaction to have on their table, the bread kneaded with the flour from their own land, the different wines from their vineyards, the oil from their own olive groves, and the fruit from their orchards; to take from their woods, their fire wood, the wood for paving, for panelling their walls, and for making furniture. All this is testified, I repeat, by the grouping of their estates. Messer Leon Battista's comment serves to explain the organic reasons of the single groups: «Thus ought to be the estates, where by bringing a small quantity of salt, the family could be left for the whole year to live, and each piece of land being near the other – it would be possible to go round the estates without much trouble; and the air should be as good as the land».

Fig. 16. – Santa Maria Alberighi.

Not, however, with the same truth to reality, does the writer exalt the compactness of the family, a compactness which he said endured almost up to his time. I have already said, in referring to the Alberti, because with them the phenomenon has more significance, that they too became accustomed to

being distant from one another, and also from Florence, even taking a foreign citizenship. To the pathetic picture described by Leon Battista, however, is substituted a different one, outlined in the account books of the shops, and in those of individuals, from which furthermore, it is seen that not even the Alberti were free from the tendency to individualism, which became more and more accentuated from the fourteenth century on, until it reached exasperation in the following centuries.

This family, having come from the Casentino at the beginning of the XIII. century, and pitching its tents in the S. Cecilia quarter of the town, in a building destroyed in 1304 by Neri Abati's fire, at first did not think of trading. Its members carried on, instead, extensive professions, and were magistrates and lawyers. And from the fact that among the first of those who settled in Florence, the memory of a judge remained famous, a branch, our branch, added «Del Giudice» (of the judge) to their original surname.

In the XIV. century, their patrimony, formed by income from their landed property and professional activities, was so remarkable, that they thought of investing some of it in trade. The first company of which we have traces was created in 1302 by three brothers, Alberto, Lapo and Neri, sons of Jacopo, and lasted until 1329, extending – including new persons and capital – with the admission of the founders' sons, who as soon as they came of age, joined the still living parent, or took his place at his death. These twenty-seven years were the years of their real solidity. Then disintegration began, till they reached breaking point, and the creating of several companies out of the various branches. At any rate, as happened with the Gianfigliazzi, also the Alberti did not admit strangers to take part in their enterprises, at least not until the middle of the century, when Bartolommeo di Caroccio, setting up for himself, took as partner, Jacopo di Banco, son of Puccio Bencivenni.

But a worse symptom of internal rivalry, or at least of desire to divide the property, which at the beginning was in common and undivided, is shown in the «partition» of their town and country property, as well as of the liquid patrimony. The first weakening of what had been, at first, closely-knit forces, began in 1334, became greater in 1340, 1342, 1349, and in 1352. In short: they reached the point of dividing the smallest household goods, and of breaking up even the tower holdings, into hundreds of parts, among dozens of relatives. All this, however, happened without any clamorous episodes. I should rather call it inevitable, as being necessary to enter a historical process, rather than a really voluntary act. This, after all, is in harmony with the equilibrium maintained continously in conducting their companies' business: always one step after the other, and the step never longer than their capacity. Expressions of the prudence of the Alberti Companies, were also their never having been bound closely to Companies that undertook large speculations, and their not having had anything to do with Princes. On the other hand, they worked closely with the Church, but only since the Church had changed her

old policy of asking the bankers for large loans, resulting in the end dangerous for both sides: because when bankruptcies came about, the worst always fell on the companies, but some counterblow had also been felt by the Papal Chamber.

The relations between the Pope and the Alberti, desultory up to the last years of Benedetto XII.'s Pontificate, gradually increased as Florentine economy was rising again, after the fall of the Bardi and the Peruzzi. These relations increased with Clement VII. and Innocent VI; reached their climax, until one could even speak of a monopoly at the time of Urban V. and Gregory XI.

Fig. 17. – San Michele delle Trombe e Santa Maria Nipotecosa.

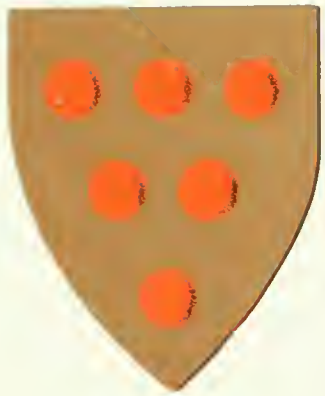
The merchants' favourite operation was the transferring of capital by letter, within the limits of their financial capacity, that is, the equivalence of their sums, and their available funds on the various markets: it was sound work that allowed a recompense for the service (called « portagium » even though money was not materially transported), and a profit on the rates of exchange, more or less connected with every transfer. The Alberti, moreover, following these ancient but sound traditions, added other operations suitable to bring safe profit: they took charge of supplying the Papal Court with goods, above all with the most precious ones, such as materials of high quality and jewelry; they executed for it, the carriage of personal property and of correspondence; and they took up the function of information agents from the battle-fields which, more than being a novelty, was a vaster experiment. If one adds, a thing not new, that the Popes granted protection and favoured them – the weapon of excommunication for instance, was put at their disposal against insolvent debtors, and the granting of well rewarded offices, such as the position of Treasurers during the War in Romagna, assigned to Giovanni Alberti – one may conclude that they reached the

optimum, and one may go more and more deeply into the secret of their undisturbed success.

This success, after all, was also due to their scrupulous bookkeeping and to the reduction, to the minimum, of the fixed expenses, as they worked themselves, and surveyed their employees rigorously. Also in this case, the books left – which show a limited staff, that was paid less than those working for other Companies, and for which the slightest fault was not pardoned, and was dismissed without regard, a moment at a of uncerntainty – bring comfort in the words of Leon Battista Alberti: « when I recall those damages and losses of many merchants, and where I see that out of every six mishaps five are due to the fault of those who manage things, it really seems that I can affirm that nothing makes a good manager like the teacher's diligence, and nothing makes a bad manager but the teacher's negligence ».

Under all these aspects which I have outlined, one may recognise the classical attributes of the sound middle-class, described by Leon Battista Alberti, just as in a Bardi or a Peruzzi we have the prototype of the exceptional type, the really great captain.

Let us set by the side of these subjects of Florentine Renaissance economy, the mass of the craftsmen, and the crowd of the « Ciompi » (woolcarders), and we have a vision of the co-existence of many different ranks, such as no other town at that time ever knew.



THE MEDICI

The Medici Companies, like all other great Florentine companies, were present on the main world markets, and they interested themselves simultaneously in commercial, industrial and banking operations. What characterises them, in comparison with the classical type of company, is the difference in structure – with them we reach the *holding company* of which I have spoken above, and a consequent innovation of the whole administrative organisation – and such a deep immersion in politics, that one may wonder whether the said Companies were foreordained for political aims, rather than for economic purposes. What is certain is that political aims prevailed more and more with the passing of time, from Cosimo the Elder, to Lorenzo the Magnificent.

To the preponderance of shares the partners had in the various companies – each one of which might be formed of various partners, had varied quantity of capital, and was created by different agreements – corresponded different names and styles; those belonging to the family, being called « majores » and the others « minores », to indicate, even formally, in contrast with the ancient principle of equality, a difference in position among the partners. Moreover, while once the management of the branches was held mainly by the managers (« procuratori »), now the management was given only to the partners, who were no longer rewarded for that kind of work like the other officials, but shared in the profits, in a measure higher than the percentage due to everyone, according to his share in the partnership's capital. For instance, Tommaso Portinari, partner-manager at Bruges, who to the company's capital amounting to libr. 3.000 of Flemish « grossi » had contributed only 400, shared on contract a 25 per cent basis. Lastly, the managers, if they did not belong to the Medici family, bore the name of « governatori », while for the Medici it was a sufficiently high qualification

to be called « majores »: this name of « governatori » was a further proof of a hierarchic organisation, previously unknown, or at least not defined by any particular term. Above them all, Cosimo, Piero, and Lorenzo successively, held the exclusive ownership of the trade mark of the Company, they also reserved the right of engaging the personnel, of giving power of attorney, and, what is more important, to include the general regulation of the business in the single and, I repeat, varied partnerships' agreements. To give an example, according to a Bruges contract of 1455, the Flemish « governatore » could not give on credit, bills of exchange, in favour of spiritual and temporal princes, lords and ecclesiastics in general, nor officials; and could grant loans only to merchants, after a rigorous and deep inquiry into their situation. In 1471 their policy became less rigid and he was allowed to give loans to Charles the Bold up to the amount of 6.000 « grossi ».

In short, in previous times, when the branches had strict dependency from the centre, the management at the centre had been collective; now, the branches having reached autonomy from the central firm, one sole manager had the centralisation of power, inside and outside of Florence.

All this might bring us to the conclusion that the Director would be continually employed in reviewing the accounts, in reading and forwarding the letters. Cosimo the Elder had such a character: if he succeeded in overcoming Florentine independence, so much more did he succeed in bending his employees and immediate collaborators to his will. But is it possible to think of a Lorenzo, seated from morning till evening, in his office in Palazzo Riccardi, answering business correspondence, and receiving messengers from all the branch offices, or what is more, making entries in the books, when we know him to be occupied in turning over the pages of precious codexes, or dealing with political affairs, and conversing with humanists?

It was in this way that they slowly left the « bridle » on the neck of the « governatori »; nor was it sufficient to try to create a new appointment, that of « ministers », trustworthy men, a kind of *alter ego*, with whom it was enough to exchange a few words on the most serious problems, and then let them see to those problems. As usual: Cosimo chose a certain Francesco Inghirami, as active as he was diligent; Lorenzo confirmed the appointment of Francesco Sassetti, let us say inherited from Piero, his father. Under Piero he had shown a certain zeal, but once at the side of the « Magnificent » he let himself be seduced by the taste for fine letters, by the passion for collecting works of art and manuscripts, by the company of philosophers and artists. For this reason one must not marvel at the administrative disorder of the Medici business during the last years, and of the arbitrary power of the local managers: the latter is a phenomenon not completely new, but formerly contained within closer limits.

Already Agnolo Tani, even in Cosimo's time, had risked ruining the Bruges branch office, by having involved the Company in an unfortunate

scheme with a group of Lombard money-lenders. Then the repeated dishonest actions of Lionetto de' Rossi brought the Lyons branch office to the brink of bankruptcy. And still more serious became things in Flanders, in 1463, when the partnership's agreement was newly formed, and the clause concerning the maximum of loans allowed to the sovereign was omitted, on pressure of the partner-manager Tommaso Portinari. He was, in fact, proud of his friendship with Charles the Bold, which to him was a source of great satisfaction, like that of being a witness at the ratification of the French-Burgundy alliance which took place at his house, and of having been sent as Ambassador to the Duke of Milan. The result was that Charles' debt grew, and it was greatly increased later by Maximilian of Austria.

Fig. 18. – San Bartolommeo.

Undoubtedly it was a satisfaction to receive as a pledge, the famous jewel of the crown, the « fleur de lys », and the grant of the « tonlieu » (or customs) which recalled the glories of the Florentines in England. But such achievement was accompanied by equal risks; which risks Cosimo had deliberately avoided incurring (« never lend to spiritual or temporal princes »), and in which Lorenzo was finally caught, occupied as he was, by all his other engagements, which were not limited to the direction of internal politics in Florence alone, but involved the equilibrium of so many other States.

I was speaking of Lorenzo's lack of interest in his business. I must add – and in this way explain my previous affirmation of the political aims of the Medici enterprises, especially in the last years – that in the end, it was the very political game that brought ruin to the formerly flourishing enterprises. Bruges was a significant example. Still more significant was that which hap-

pened in England and in France, where they had gone with intentions that they were forced to change along the way.

At Bruges they had established a branch office because it was the greatest market for the exportation of tapestries, at that time so very valued, and widely bought; and for the importation of Florentine cloth, and still more of dye-stuffs, especially of alum, in which, as we shall see later, the Medici were deeply interested.

As for England, it is true that once that country had started industrialisation it slowly reduced the exportation of fleece, and increased that of manufactured articles: between 1350-1360 an annual average of 32.000 sacks of wool were exported: whereas between 1533-1544, despite the increase in sheep-breeding, only between 4.000 and 5.000; but in the meantime cloth exportation rose from 5.000 to 118.000 pieces, a good half of which were negotiated by the « Merchants Adventures » above. But the highly valued wool was still indispensable to the Florence workshops, though there were fewer and fewer factories equipped for high-class production. Once in London, could the Medici, Lords of Florence, and interested as they were in the welfare of their city workers, refuse loans to the King if he asked for them? And if Edward III. had needed the Florentine merchants for his wars against Scotland and France, could Edward IV. refrain from asking for help from foreign merchants, occupied as he was against the Lancasters, in the « Wars of the Roses »? For his first victory in 1461 he had borrowed from the Medici treasury; and already in 1464, at Cosimo's death, the London branch office of our bank complained that the situation was serious. In 1470 Edward was deposed, nor at his return, the year after, was he able to face his debts; in the meantime, many of the Medici debtors, as they belonged either to one or the other party, had been killed, and their property had been confiscated.

The year 1478 was looming nearer. After the Pazzi conspiracy, Lorenzo had to lean upon the stronger friendship of foreign sovereigns. He chose Louis XI. of France, who called him « mon cousin » overlooking his humble origin, from which he could draw advantage for his economic affairs. Louis, who had the upper hand, applied to Lorenzo again, and this time he obtained the loans that Lorenzo had formerly refused him.

In conclusion, we see repeated the situation of the Bardi and Peruzzi who had tried to steer between Edward III. and Philip VI. of Valois. Lorenzo the Magnificent found himself obliged to play a game on three fronts: Flanders, France and England, and he ended by succumbing, though without reaching such a memorable fall, as those recorded in Florence in the mid-fourteenth century. The Lyons, Bruges, London, Venice, Milan branch-offices closed one after the other with more or less high liabilities, but none for bankruptcy. One must not forget, however, that the Medici were the Lords of a State, and it seems that they did not hesitate to draw from public funds for the settlement of their own personal business. When that series of archives

of the «Monte delle doti» is studied, then only will it be possible to confirm or deny an accusation, that for the past centuries history has hung heavily on Lorenzo the Magnificent: that of having appropriated the deposits placed there in favour of unmarried girls.

This rapid sketch of the vicissitudes of the Medici Bank is completed by recalling a maritime enterprise, and a formidable mine speculation.

As regards the former, the Medici purchased from Philip the Good, three galleys, which that Prince of Burgundy had had built in the Pisa dockyards, thinking to use them for a crusade against the Turks. Those ships, transformed for merchant-service, were used on regular trips, whose route was bound in two directions: the « Westward trip » from Porto Pisano to Bruges, and the «Eastward» one, from Porto Pisano to Costantinople and Rhodes. Although the maritime experience of the Medici did not give the desired results, this testifies to the love of the Florentines for reaching the sea, and it demonstrates the enthusiasm with which, as soon as possible, they tried to follow the way of the Republics of Genoa and Venice. Already before Piero's death a galley had been lost; in 1470 the two left were seized by Charles the Bold, to be added to his fleet in the war against Louis XI. When they were set free, in 1473, one was captured by Paul Benke, a corsair from Hansa, and it was a great misfortune, because the famous triptych « The Last Judgement » by Memling, which Agnolo Tani had had painted, and which was part of the cargo for Florence, was taken to Danzic.

The last of the galleys was wrecked the following year during a great storm. I shall add, to illustrate the entire episode, that the Medici caused their ships to sail under the Burgundy flag, to elude the rules of the jurisdiction of the « Florentine Consuls of the Sea ».

The Alum enterprise began very soon after the discovery of that mineral in the Tolfa hills in Papal Territory. At a time when Christian Europe was paying big sums to the infedels, by whom was produced the greater part of the alum sold on western markets, to find a strata of it in Italy was so important, that the discoverer, Giovanni di Castro, when giving the news to Pius II, expressed himself in these enthusiastic terms; «To-day I bring you victory over the Turks! Every year they extort from the Christians more than 300.000 ducats, because Ischia produces very little, and the alum mines of Lipari were exhausted at the time of the Romans. I have discovered seven mountains, so rich in alum that we could supply seven worlds with it. You will be able to furnish alum to dye cloth for all Europe, and wrench the gains from the infedels. The raw materials, wood and water to boil the stone, are abundant, and a port is at hand, Civitavecchia. From this very moment you may prepare a Crusade against the Turks, the alum mines will finance it».

It was however, necessary to work the strata, and at this point the Medici themselves came forward, shrewd in sensing the possibility of a huge specu-

lation and particularly aware of the importance of the mineral, if we admit that the sack of Volterra had been decided on account of Lorenzo's interest in the alum mines of that city.

In order to obtain the hoped-for results, it was necessary that the price should not decrease either from competition or from excessive production. The Church saw to the former danger, threatening the Christian merchants – if they dared to buy alum from the infidels – with excommunication, and seizure of their goods either at sea or in the port of landing. The Medici avoided the latter danger, by assuming control of the extraction, and of the sales, basing the enterprise on their banking and commercial organisation: The Roman branch office would invest in the capital of the « Tolfa Company » created by the Pope; and the Bruges, London and Florence branches would take charge of the sales on the markets, against cash payments or exchange of wool. The Pope, who through his officials, had reserved the control of storing the alum in the Civitavecchia warehouse, would have as equivalent of the assumption of all risks, a royalty, which was first equal to two, and later to one ducat per « cantaro », (about 150 lbs), and two thirds of the extra-profits. And lastly, it was necessary to have also the adherence of the Princes, that they too should exercise their control for the application of the regulations enacted in Rome, and should prohibit the entrance into their states not only of Turkish alum, but also of that mined in Western countries, and not coming from Tolfa.

Here started the trouble. Edward IV. of England refused, considering the damage, caused by the lack of competition, which would have befallen the woollen cloth industry just then developing in his realm. Charles the Bold, more bound to the Medici, at first accepted the request asked by his friends and the Pope, but afterwards he had to withdraw it, under the pressure of public opinion. At Venice the Medici had to make an agreement with the largest local wholesale dealer, to whom was allowed the sole sale of 6.000 cantari per year in the city, in Lombardy and in Romagna, in Southern Germany and in Austria. To the Southern Italian Lords, owners of the Ischia mines, they had to bow their heads and be satisfied with a twenty-five year agreement, setting up a kind of combine that would fix a uniform price for the sales, would limit the mining of alum, and divide the markets on a share basis.

If to the above-mentioned difficulties one adds that of smuggling, one will understand that the prices, which they had hoped to manipulate according to their own will, were eventually equal to, or at least approached, those of the free market.

At any rate, everything that concerned the Medici ended in 1478 after the Pazzi conspiracy, when the property of the Lords of Florence was seized by Sixtus IV., who made an agreement for the alum, with the Centurione family and the Doria family of Genoa, on the model he had made with the

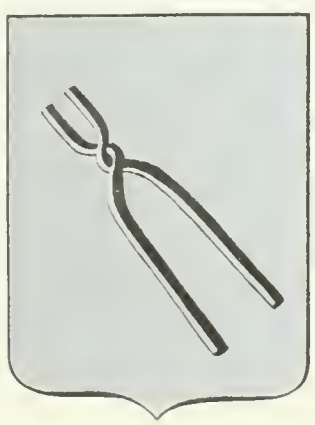
Medici. The final decline of the Medici's economic fortune coincided with the fall of their political one, at Lorenzo's death, in 1492.

The end of a fortune, I said, built up by a Bank, that Commines defined as « la plus grande maison que je croy que jamais ait ésté au monde » (the greatest House that I believe ever existed in the world).

But behind it was left, — I shall risk making a rapid sketch of it — a brilliant afterglow, on account of its influence on the art of the times, for having favoured reciprocal exchange between the art of the Low Countries and that of Florence, with the movement of importation and exportation of true masterpieces. As regards the importations, one example is enough.

If, as we have already seen, Agnolo Tani was not able to beautify his city with the Memling painting, Tommaso Portinari managed to place a triptych of equal fame, « The Adoration of the Magi » by Hugo van der Goes, in St. Egidio, the church of the Hospital of Sta. Maria Nuova, founded by Folco Portinari, father of Dante's Beatrice (now in the Uffizi Gallery), Having taken out of the cases, the precious treasures from Bruges (Lorenzo received for instance, a Van Eyck, of which to-day is only preserved a copy) they were substituted on the return journey, by Italian paintings including the cartoons designed here in Florence, for the tapestries to be woven in Flanders, and the Della Robbia terracottas: among which we may recall the pieces of the St. Andrew, for the mausoleum of Cardinal Guillaume Fillastre, put together at St. Omer.

Another manifestation of art, also favoured by this exchange, was music, to which the Medici brought a great contribution, following the tradition of inviting to come (to day we should say engage) from the Low Countries, and especially from Antwerp and Cambrai, tenors of great fame like Guillaume Dufay, and composers like Henry Isaac, for the music in their « Bel San Giovanni » (fine Baptistery of St. John).



THE CHARACTER
OF THE FLORENTINE MERCHANT

Up to this point, though not omitting to accentuate the skill of the Florence merchant in taking advantage of every possibility, and counting on every situation, I have above all, described some events, and, when I could, have quoted figures to give the measure or better still, an idea of the dementions of Florentine economy during the years of the Renaissance.

But history does not achieve the aim of reconstructing the reality of the past, by only pointing out events and gathering numerical data. This is, unfortunately, the tendency of a historiographical school which is rising on account of the cleverness of the few who have introduced it, and owing to the love of novelty of many, who, moreover, find it easier to gather figures or to have them gathered from the archives, then use a calculating machine to make operation after operation, then again elaborate the results with the systems of statistic technique, and lastly make deductions on the basis of curves and scales. Not denying the importance of the research of quantity – but keeping the widest reserve on the possibility of drawing real conclusions from data which, at least up to the XVIII. century, were not complete, homogeneous, and therefore sure, – one must not forget that the real subject of history is Man. The historian who wants to analyse his actions, and the importance of these actions, valuing them according to their measure, should be compared to the physician who would diagnose the patient's illness by measuring his height and weight.

For this reason – another historian has already said that « il faut se garder d'une conception étroitement statistique de l'histoire, le nombre n'est rien sans la qualité » – I have also insisted on the quality of our merchants' work. I shall conclude these pages by tracing a moral outline of the Florentine merchant, speaking of his culture, his love for his city, and of his faith.

HIS CULTURE

As for what concerns culture, the reader will have already found, here and there, hints to make him think of a sufficiently high degree of culture both technical and professional. I add that our merchant devoted himself to learning, conscious of the importance of knowledge; that is the reason for which, as soon as he rose to the direction of public affairs, he organised municipal schools which he later completed with a higher grade, that of « Studio », equivalent to our present-day University. Realising the dignity of the teacher, even the most humble, he applied to him the honoured title of « Ser » which preceded the names of notaries, and of knights; and he did not expect from him any kind of conformity – and God knows up to what point at that time factions were dominating – but left him free to think and teach. An example, which is not the only one: Gaspare, son of Ricco, teaching in the classrooms of Via Ghibellina at the time of the oligarchy, was a heretic, bearing on his arm the sign of the yellow cross, and was one of the leaders in the Ciompi riot, and a notary under the « Ciompi » government.

The merchant also realised that one cannot come out of school, (which only provides the method of learning), ready for professional life; so he organised another centre of learning, that of the workshop, in which the young man started to practise the work, to breath the business air, and live in the business atmosphere.

« He grew », writes Donato Velluti about one of his sons, « and I sent him to school; having learned how to read and having very good intelligence, memory and talent, sound ability in speech, he applied himself and learned well. Then I sent him to learn mathematics, and in a short time, he became a good mathematician. Then I made him leave school and sent him to Ciore Pitti's workshop, then to Manente Amidei's.... he began to love it.... and having given him a book of credit and debts, he kept it and handled, and managed it as if he were forty. And because of his intelligence and his great skill, had he lived, he would have become one of the most skilled craftsmen and efficient merchants on this earth ». Let us not forget what was asked of our « efficient » merchant: intelligence (memory), professional culture (good mathematician), love for his trade. That poor boy died at twenty-two. Had not destiny been against him, he too would have arrived at the most complicated accounting of the companies' bookkeepers, compound interest, rates of exchange of currencies, amount due to the maturity, true discount, (I say true, not bankers'), kinds of operations shown in all the accounting books which I have examined. And he would have reached the preparation of those « balance sheets » in which very little is unknown of modern technique; to begin with the shop inventories, the valuation of the goods, the amortisation of the fixed assets. Perhaps this was the father's dream, he would have soared

towards the destiny of wealth like many other of his school-fellows.

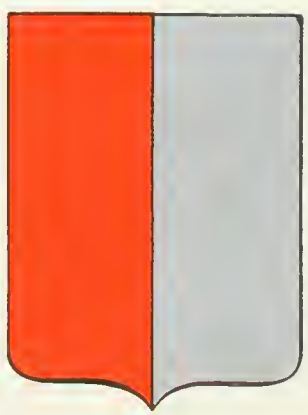
Nor was professional learning sufficient, both for the big merchant and also for the medium merchant. It is enough to recall that a great many of the documents on which the compilers of the Crusca Academy Dictionary have been based, are formed by chronicles, memoirs, and diaries of business men of all ranks.

Shall we recall the greatest chroniclers? Dino Compagni left a well founded company, which in 1334 was among the first to be drawn into the abyss of the great bankruptcies. The three Villani were merchants too, sons of a merchant, Stoldo, partner of the Cerchi to carry on the wool manufacture: at twenty-five Giovanni was a partner of the Peruzzi, and from 1324 he worked with the Bonaccorsi, of whom Matteo had been a partner; Filippo took the place of his elder brother with the Peruzzi, whose branch office he directed in Avignon. Also Marchionne di Coppo Stefani was a merchant, son of a merchant-partner of the Acciaioli. Did not Giovanni Boccaccio conduct business in Naples for the Bardi? Was not Franco Sacchetti an expert in merchant usages, since to him we owe precious notes on commerce contained in his « Sermons »? Then we must also mention Francesco di Balduccio Pegolotti and Giovanni di Antonio da Uzzano, writers of the famous « Practices in commerce », precious instruments for the companies of the time, and true tools for the historian of commerce. Of the minor ones I shall make only a list, which, though incomplete, maybe will serve to confirm Davidson's opinion of the Florentine merchants having themselves formed the historical archives of their town: Guido Monaldi, Luca da Panzano, Donato Velluti, Simone della Tosa, Luca Landucci an apothecary, Bartolomeo del Corazza a wine-seller, Bartolomeo Masi a coppersmith, Goro Dati a silkworker, Domenico

Fig. 19. – Il Mercato Vecchio e San Tommaso.

Lenzi a corn-chandler, Bonaccorso Pitti who in his youth, as he said, « had gone trafficking and gaming », but who in fact had dedicated himself more to dice than to commerce, which made him the prototype of all gamesters, ready to challenge even princes, as for instance Wenceslas, Duke of Brabant, when was he visiting Brussels after Paris, and from whom, at the end of an unfortunate game, he asked for a loan, to try his luck in England!

It might seem excessive to affirm that the vulgar tongue, which Dante made so sublime by the prestige of the art of his great Poem, was already formed and fixed in the writings of our merchants. Those who have the patience to take out of the dusty archives, the books, and particularly the letters, will see this confirmed: in this case not only in Florence, but also in other Tuscan towns, especially Siena.



THEIR LOVE FOR THEIR HOMETOWN

Speaking of love for their hometown the reader may smile with scepticism when recalling the conflicts which tore Florence asunder, that of the Guelfs and Ghibellines, with banishments and recallings after Montaperti and Benevento; that of the Whites and Blacks up to the fire of Neri Abate; that between the magnates and the people during which the houses of the Bardi were sacked and destroyed along a whole street on the south side of the Arno; and, at the same time, like the struggle between parties, there were jealousies between families and family groups, and even very spiteful vying among members of a single family.

I, too, know all this, and, to general knowledge I could add many other proofs of passions and hatred. A little earlier I quoted a paragraph from Filippo Bardi's will. I shall add another, which is symptomatic in its very substance, and for the solemnity of the document from which I have taken it. Again in a will, we can read this curse pronounced by Simone, son of Ranieri Peruzzi against his son Benedetto « May he be cursed as much as possible by God, amen. And if he should live after my death, and I have not corrected him and punished him as much as he deserves, may the just God's sentence punish him as a wicked traitor, as he deserves ». The young man's sins were the following: he had taken some of the money in the house, and he had escaped from the confinement which had been imposed on him and his father, whose political ideas he shared; this action had brought trouble to his family who had submitted to the ruling authority.

I repeat: I know these and many other things about the quarrelsome temperament of the Florentine merchant, testified by numberless law-suits, whose briefs, as one would say nowadays, were full of insults and invectives. Nervertheless, however, I do not feel like saying that the merchant did not love his city.

It is not true to say that in aiming at power he did not consider his own interest. But, once in power, that interest was not separated from the common cause. He did not consider public office a sinecure; and if it were not possible for him to look after Palazzo Vecchio as well as his own workshop, he neglected his business and put on the Prior's robe. Later on, the merchant behaved differently: Francesco di Marco Datini, for instance, deliberately avoided public office to remain at his desk; if he had any contact with the public authorities it was in order to have a false declaration of income accepted; if he approached some Prince, he did it to receive a coat-of-arms, while people like Arnoldo Giotto Tommaso Peruzzi had received as a guest in their palace, more decorous than the Palazzo della Signoria, such a person as Robert of Anjou, King of Naples, to treat with grave political matters, and he had not charged the Commune of Florence with the expense!

Then, when I turn my eyes to the numberless works of art in Florence, and I know that we owe most of them to him, the merchant, I cannot think of him as a stranger in his city, considering that to make it more and more beautiful he took out of his business, sums of money more than notable: showing, both that he understood that giving to the hometown is the surest means to have profit on his capital, for those who have any, and is thoughtful of the future of his own sons.

Then, again, as he did not hesitate to open his purse, he did not hesitate to offer his life on the battle-field, paying with his own life, the bill he had signed at the moment of declaring war. It was in this way that the abovementioned Arnoldo Peruzzi, not the last of the family, but the very manager of the company, died at Incisa, during the battle against Emperor Henry VII., anticipating another great sacrifice, also made by a merchant, that of Francesco Ferrucci.

One can speak at length of inner conflicts. In reality those conflicts were fruitful, they at least neither hindered, nor did they stop a prodigious ascent. Peace would come with time, but it would not have been equally fruitful in welfare. The undeniable grandeur of the Medici epoch closed, thanks to the riches of the past, a period of ascent. With a foreign domination life became still more tranquil, safer for the man who had turned from restlessness and rebellion to acquiescence; but to the hometown there remained only the remembrance of past glories.

As once again I happen to have said « hometown » referring to a city, I must add that the Florentine business men (like other comrades of theirs in the whole peninsula) looked also to Italy, the vaster nativeland of a very distant « tomorrow ».

Poets dreamt of that native land, and their dream found, with time, an echo reverberating in an ever wider strata of citizens living between the Alps and the sea. The great business men sensed it although without full consciousness when they were abroad, and just in those years when, as I said before, they left, to return home again. Away from home, forgetful of the wild hatreds that existed within the small circuit of city walls, they were united, not only among themselves, but also with all other Italians, though this name had not yet been formed, and they were then known as « Lombards ». It was in this way that in 1278 they joined the citizens of many other towns, – though Florence was their enemy, – and with them gave the charge to one man, a citizen of Piacenza, to deal with the King of France, about the return to Nimes of the banished merchants. It was in this way that in 1288 the « Universitas mercatorum italicorum » appeared at the Champagne Fairs. This « Universitas » in 1295 negotiated a safeguard treaty with the Counts of Burgundy. Adherent to the « University » were Alba, Asti, Bologna, Como, Florence, Genoa, Lucca, Milan, Orvieto, Parma, Piacenza, Pistoia, Prato, Roma, Urbino, Venice.

That solidarity had been aroused by the hostility of the populations of the various countries, by the injustice of their law-courts, by the behaviour of the princes, of whom I have already given proof, referring to confiscations of goods, imprisonment, banishments from their territories. What was thought of us by those populations, is told by the chroniclers of the time; it is enough to read the pages full of accusations, by Matteo Paris. The foreigners who illtreated us in mass, were answered in mass. In the meantime the consulates of our towns saw to the protection of their own citizens with such energy, that sometimes explains by itself its success, when the menace of a reprisal came from the Priors – craftsmen in charge for two months – and was directed to a crowned Head.

Historians, and first of all the foreign scholars, have done justice to the accusation towards the Italians, which reflects the mentality of a certain time, in a certain environment; and gives light to actions and reactions which would otherwise be difficult to understand and, therefore, to explain.

THEIR RELIGION

We have still to speak of the Faith of the Florentine merchant: a true drama between sentiment and the practical side of life.

There was such sincere belief in God, that each action of life was placed under His protection. The « Book of Remembrances » always started with an invocation, of which I herewith show an example from Arnoldo Peruzzi's book: « In the name of our Lord Jesus Christ and of His blessed Mother, Mary, and of all the Heavenly Host. I beg them to bestow grace on me and on those who are born of me, to do in this century what might be to His honour and His reverence, so that after my end, and that of those who will follow me, we may share his Holy Kingdom; and in this century may we have the grace to be able to add to His honour all that He has lent me, in my belongings, in my dear ones and in honours. May God do this, amen ». In the same way, every contract and every letter had at its heading, the sign of the Cross and the name of God. And Giovanni Villani, beginning his Chronicle with it, after having attended the Jubilee of 1300, and having been inspired, wrote: « And in order that our work should be more worthy of praise and good, I ask for the help of our Lord Jesus Christ, in whose name each work has its beginning, continuation and end ».

Passing from the individual to the collective group, the Companies and Guilds did not act otherwise, and thus many of their actions were inspired by feelings of piety.

The Companies, for instance, when drawing up the social contract, destined, by a subscription among their partners, one or more shares to the poor, which made them participate as partners of the Company. « Messer Domeneddio » (the Lord God), their natural guardian, was the holder of that share. On might say: But if God was a shareholder, he must have taken part in the profits and the losses. In fact it was in this way: and I add, in having Him take part in the business it is not to be excluded that they sought His particular favour towards the fate of the Company, whose success only, would benefit His humble creatures. Undoubtedly, the poor did not pay in case of loss. In case of bankruptcy they were considered secured creditors, to whom were first distributed the dividends. Moreover, the Bishop had the right to choose the belongings to be taken from the partners by virtue of their unlimited and joint liability. In the workshop there was also kept a « minor cashbox » with money to be distributed among the poor; and on the occasion of festivals, when the shop was closed, each of the staff received a small sum to be distributed in the streets.

The Craft-guilds, I take as example that of the « Calimala » or Cloth Dressers, in their by-laws, first of all specified that their registered members must belong to the « Catholic Faith »; then they established the before-

TABLE IV

Saint John the Baptist, Patron of Florence, whose image – as Dante said – sealed the Florin, could not but be painted by the minters on the cover of their magnificent Codex, which on the back cover is adorned with a beautiful Lily, emblem of the City.

This is a Codex of « constitutions and statutes of the Craft, " Arte " and University of the Minters.... » that is, it contains in Latin and in Italian, the constitutions and new ordinances of the Guild of the Minters, or as we ought to say, of their professional association, for here we are not dealing with one of the famous twenty-one Florentine Trade-Guilds or Corporations.

It is not possible to ascertain exactly, when the extremely beautiful binding of the manuscript was made, not knowing to what year belong either the constitutions or the new ordinances that form the chief part of the text. Neither do the dated record of elections, arrangements etc., of the XIV. and XV. cent. – the most ancient is dated 18th. December 1314 – have for us any decisive value, as they obviously deal with – certainly, at least the greater part do – additions made when the Codex was already completed. The style of the painting makes us feel that we have before us the work of one of the first and best followers of Giotto, who must have worked during the first quarter of the century.

At the top of the painted cover are the remains of an inscription which we have been able to decipher: « Coin-Minters of the Commune ». On the scroll the Baptist holds in his hand we read: « *Ecce a|gnus D|ei ecce| qui tollit| peccat|a mund|i* ».

At the top, on each side of the Saint, are six gold discs, three on each side, to symbolize Florins – the pride and glory of the Minters of Florence.

(*Florence – State Archives*)

U. P.

mentioned holidays for the care of religious practices; they set aside the amount of money for solemn and normal lighting in the churches, and also the money needed to supply the vestments of the priest and the altar furnishings; they destined sums for religious Institutions and alms to the « shy poor », to whom three times a week were distributed loaves « of good wheat ». The religious element dominating the Guilds is shown, also, by the sections concerning perjurers « offending God », blasphemers and gamesters, showing a desire for profit « beyond the limits, prohibited by God »: perjurers, blasphemers and gamesters against whom were provided pecuniary fines and even expulsion from the Guild.

Fig. 20. – Santa Maria in Campidoglio e San Leone.

A custom also inspired by pious aims, was that of paying the so-called « money of God » at the conclusion of every contract. It was not a certain amount in proportion to the sum of the contract agreed upon, but a single coin, as a symbol that God had intervened in the business, and had approved it; and from that moment on, the contract could neither be modified nor annulled. It was a small sum, as I have said, though with the accumulation of coins, Villani says that in one year the « Opera di Santa Reparata », for whom they were destined, received 2.000 lire in small coins (about 600 gold florins).

Now: those men who were so preoccupied in observing church practices, and in following the commandment of Christian charity, during their lives committed infractions, and violated many other duties imposed by the Church. Were not excessive gains condemned? And yet those merchants piled up fabulous fortunes. Was not lending at interest condemned? And yet we see them lending money at a rate of interest, which sometimes – especially abroad, where out of ten business affairs only two would be good – was as high as

one hundred per cent. Is there not a contradiction between alms to the « shy poor » – that is, he who does not hold out his hand – and the denial of a right wage to the worker? Even though we did not know his wages, it would be plain, by the prohibition for workers to gather together and discuss, from one organisation to another.

Forgive me if I repeat what I said before, in affirming the necessity of looking on each historical period with the eyes of the time. In going back to the thirteenth and fourteenth centuries we realise that the strength of things – the sudden boom of the economic situation, and the successive state of business – compelled, and not only solicited, a certain behaviour, and so much more, once one had entered into the wheels of what I called « system ». It is true that man creates the system, but it is equally true, that later, it is the system that dominates man. It is something, and this is already a proof of their religious feeling, that they had the consciousness of being guilty before God, trying to atone for it by any means, soliciting God's clemency with good deeds, He being just, but also merciful and ready to pardon.

These remedies, after all, were pointed out to them by the Church itself, powerless to check such a strong movement in which even itself was caught, for also the Popes, who on one hand excommunicated those who had contact with the infidels, on the other hand allowed, under payment, licences for trade with the mussulmans, even during the Crusades, while the Apostolic Chamber did not disdain to deal with usurers to whom It paid high interest.

In order to have the sin of usury remitted, the merchants, besides leaving, at their death, considerable bequests to the monasteries and pious institutions upheld by the clergy, they ordered that their heirs before receiving the inheritance, should give back to the respective owners, what had been « illgotten ». It is obvious that it was an easy system for enjoyment and sinning during lifetime, and then making their own children and grandchildren expiate their guilt; and it is equally evident that – owing to the difficulty of ascertaining « quid est usura » and reaching all those who had been victims – those who survived the testator, in their turn, set at peace their own conscience by giving the charge of what they should do, to their successors! It was after all, the way of doing things at that time, and not only in Florence, but everywhere-else. It happened – just to mention a curious case, – that the heirs of a famous Seigneur across the Alps, Amanlieu VI. d'Albret, sent messangers all over the territories where that good man had lived a free life, to notify the « poucelles dépoucellées » to make out a bill for damage received. This was according to the seducer's will. Whatever may be said of it, the Church saw in this way of making wills, a sign of repentance, and such repentance, for lack of anything better, was suggested by the friars, who (we must remember the pages of the story-tellers) fought for a place by the bedside of the dying rich merchant, in order to advise him to leave his belongings to their church or monastery.

Nevertheless, also in this case, I say again, we are not treating with a joke nor a nasty trick. In most cases the repentance was sincere. I mention the Florentine Scaglia Tifi, a man into whose soul I think I have penetrated through the surviving documents of his life, scattered between Florence and Burgundy. I already said that he was the treasurer of Princes, and the arteficer of the annexation of the Franche-Comté to the Kingdom of France. He was Minister of the Treasury, and such a dishonest Minister that in Notre-Dame, he had to confess the malversations of which he was guilty towards his Seigneurs. But later on, having no children and his wife being dead, he began to feel repentant on account of his ill-gotten riches, and still more for the vanity of riches. He retired to a monastery, and there he died on the bare floor of the church, assisted at the moment of his death by the praying monks.

He also left a will, like all the others. And it is indeed in this will that I see the symbolic « character » of many others. One cannot say that he had completely left behind the mentality of the keen merchant, when one reads that having arranged « in perpetuity » for a solemn mass on the anniversary of his death, and having settled an amount of money to reward the singing friars, he specified that if any of them had a low voice, he should give his money to another with a louder voice « which could really reach God »! That he was overflowing with real love for his fellow-creatures, is shown in another paragraph, where he destined a sum, so that every year, « before winter » the Prior of the Monastery should make « ad usum miserabilium personarum et pauperorum evidentius indigentium », so many cloaks, but he should select « thick material of some kind, suitable for warmth. Not only, then, « to clothe the naked », but also to think of the warmth of their garments! This is such exquisite and deeply human thoughtfulness, and it is an example of so much feeling, that perhaps it alone served to obtain pardon from the Merciful Judge.

The Italian merchant of the thirteenth and fourteenth centuries; as complex a man as there ever has been, who felt joy intensely as well as sorrow, who sinned and believed deeply in God at the same time, who offended his homeland and yet for it gave his life.

In Dante's city we must find men in whom this conflict of passions reached the nobility of drama. It is in the strength of this drama that the greatness of Florence lies.

Comments on the illustrations

by

Ugo Procacci

Florence, at the time of her greatest splendour, when she dominated the chief part of the known world on account of her financial and commercial power, between the XIII. and XV. centuries, had a more rapid growth of her inhabited area, than any other city at that time. The proof of this is found in the continual widening of the city walls. In 1172, the second circuit was begun, and only eighty-six years afterwards, in 1258, we find them beginning a third extension, which was a very vast one, for it spread as far as the avenues that at present surround the city.

The immediate expansion of the town naturally brought a change in its appearance and a continual renewal. And while this renewal went on unceasingly, the intense and ever increasing activity of the life of the town, its dealings in trade and commerce, continued to take place, – just as it does even today – in the original nucleus of dwellings between the squares of the Cathedral, the Signoria, and the Old Market, now Piazza della Repubblica. Here, round these piers of the old urban centre, was built the Florence of the « Ancient circuit » of city-walls, built all of stone, with its narrow, crooked streets, which often opened out into tiny squares to form the precincts of the little churches, some of which have remained so even to this day, such as San Remigio, San Simone, SS. Apostoli, and San Michele Visdomini besides a few others.

But the individual aspect of this older city (so different from what it is at the present time) which was characterised especially by its numerous very high towers, underwent a notable change, when, by an edict in 1250 – intended to limit the power of the nobles – it was ordered that every tower should be lowered, so as not to rise above 50 ells (about 30 metres).

Meanwhile on the borders of the dwelling houses, great new monastic churches rose, in front of which were opened squares: Santa Croce, Santa Maria Novella, Santo Spirito, the Carmine Church, SS. Annunziata and others. Thus not only did the town spread, but it assumed in its aspect greater breathing space. Eventually, with the Renaissance, many buildings, both of religious character and otherwise, were completely reconstructed, while the use of the old hard stone was substituted by the more cheerful limestone. This change in itself marked a decided alteration in the appearance of the streets and squares.

These are the general lines of the continual variations in the city, at the happy period of its greatest power: « Florence, the ever-renewing flower », sang one of her poets about her; and in the meantime there rose everywhere churches, palaces, loggias,

and houses, all buildings of matchless splendour, before which we moderns stop to admire, amazed and dazzled. Florence was renewed unceasingly, but she always remained « la bella » (the beautiful) and she was called so even then, to confirm also in this field, her primate over all other cities both Italian and foreign.

It is not easy nowadays, to see this greatness of Florence, so many aspects of her have been ruined by time, and more so by the hand of man. However, to make known, what many of her churches looked like in the past, we reproduce the very fine coloured drawings with which a Florentine goldsmith, about the middle of the XV. cent. adorned a precious Codex of his, and moreover because these drawings are the only ones of the time, and not generally known, for they have never been reproduced in colour, which really forms the essential element from an artistic point of view. This Codex is now in the library of the Archiepiscopal Seminary.

Of the author of the manuscript and drawings, up to the present only his name was known, Marco di Bartolommeo Rustici. Today, from the archives, we have learnt that this artist was born in 1392 or 1393. He had in the Mercato Nuovo (New Market) an associate and a Goldsmith's workshop, where he practised his craft, until he undertook a long journey to the Holy Land, about the end of 1447 and the beginning of 1448.

After this long pilgrimage, by this time quite well-off, he must have attended to his goldsmith's craft only very irregularly, not having a shop of his own any longer, for he preferred rather to dedicate himself, as he says, to a life of contemplation: « and see and read useful and honest things that raise and steady the mind ».

He died on the 6th. October 1457, and was buried in San Lorenzo. His descendents were not without glory: a niece of his, Maria, married Zanobi Grazzini, and was the mother of Lasca: and also the famous sculptor, Giovan Francesco Rustici, was his nephew.

The purpose our goldsmith had in mind when composing a work of such bulk, – 281 pages of foolscap, – was that of describing his journey undertaken to the Holy Land with two companions, « This book is called the description of the journey to the Holy Sepulcre.... » In reality however, the intention of Rustici was to glorify his native city of Florence, which he held, on account of her beauty and power, superior to any other in the world: « On returning to my native city after having seen and known many provinces and cities that are all over the world, I feel as if I had returned to paradise.... ».

The manuscript begins in this manner, with great praise to Florence, and a description of her churches. This is the part that interests us particularly at present, on account of the drawings that illustrate the text, and show us – as we have already said – what the appearance was, of the many churches of the magnificent city at that time.

He had the Codex written by an amanuensis, immediately after his return from the Holy Land, in the same year 1448, but in the following-years, Rustici made many additions and corrections on the text, written in his own hand. At the same time he was enriching those first pages of this precious manuscript with his drawings. Unfortunately, however, his work was never brought to an end, and our regret for this fact is very great today.

The artist drew, in all, thirty-seven churches, of which we reproduce – in coloured facsimile – twenty-two, some of which are grouped together just as they are in the MSS. We give a list of the other fifteen, as follows: San Silvestro, San Basilio, San Pier Celestino, Santa Maria madre, the old Trinità, Santa Maria in Orbatello, Santa Maria del Cestello (not coloured), S. Stefano del Popolo, the Certosa (not coloured), Santa Maria sopra a porta, called San Biagio, San Benedetto, San Pietro apostolo Celoro, San Cristofano nel Corso, San Pier Buonconsiglio, San Donato dei Vecchietti.

VIRITAS.
FLORAMAE

TABLE V

The oldest view of Florence (« *civitas Florentie* » is seen on the encircling walls) is found in a fresco representing a large symbolical figure of Mercy, at whose feet lies the city, with citizens at each side in prayer; the men on one side, and the women on the other. The fresco – conserved in the Room of the Commissionary of the Bigallo – bears the date of 2nd. September 1342, erroneously, according to many, doubted, and transposed to ten years later, 1352.

Of a few years earlier certainly, are two very fine miniatures in a Codex written between 1320 and 1335 by the Corn-merchant, Domenico Lensi; in these are reproduced, behind the walls from which they rise, only a few of the principal city buildings, to give a symbolical vision of it. In the Bigallo fresco, however, we see these same buildings inserted between palaces and houses, to represent XIV. cent. Florence, all bristling with characteristic high buildings.

But one must not think that here we have an exact documentary view: we are still in the field of symbolical representations: and over a hundred years were still to pass before we reach the first true view of Florence, in the famous Print of the Circuit of walls of about 1470; and to the contemporary full views and vision of all principal buildings of the city, arranged topographically in the beautiful miniatures by Piero del Massaio.

Note in our fresco, on the right, the Cathedral Bell-tower, or Campanile, still in construction; and further back, towards the background the Church of Sta. Croce, also not yet finished.

(*Florence – Bigallo Orphanotrophy*)

U. P.

Near the church the artist usually drew the titular Saint, of whom in the text he narrates episodes and legends. To the drawings are added two views – of particular interest to us – one of the Fiesole hill and one of the Old Market.

Of this precious Codex of Rustici we have thus tried to give, in brief, any information that might be of interest regarding the churches: now we shall pass on to a rapid illustration of the drawings that are reproduced in this volume.

FIG. 1 – La collina fiesolana.

The view of the Fiesole hill is found at the beginning of the Codex, where our author describes in the text, and illustrates with drawings, the Creation of the World, the first happenings of Mankind, and after the Flood, the foundation of Fiesole, the first city built in Europe, according to an old Florentine legend. This drawing – up to the present unknown – is of great interest, because it constitutes undoubtedly, the first view we have of that most beautiful of all the hills immediately surrounding Florence. Besides the principal buildings of the little ancient city, such as the Cathedral, San Francesco, Sant'Alessandro, and, a little further down the hill, San Girolamo, are easily recognisable in the landscape, the Monastery of Montesenario, that of San Michele a Doccia, the Badia of Fiesole, the Convent of San Domenico, and the Badia bridge. There are also many Villas or residences of gentlefolk, still with the appearance of castles, being topped by high towers. Along the San Gervasio – a torrent that nowadays flows underground – we see the high wheel of a windmill. Still lower is the « Borgo » or borough of San Marco Vecchio with its church, and – isolated towards the countryside – the Convent of the Lapo Nuns. Rustici also wants to show the remains of the Roman Acqueduct that ran on arches: and so – leaving one part of the page blank – he drew at the foot of it, the locality of the Romito with the church and hospital of San Giovanni between the old arches, ("tra l'arcora") which were later destroyed by the Florentines in 1529, together with the Roman remains to make room for defences, in the imminence of the seige of Florence, by Imperial troops. « I still remember » – Vincenzo Borghini, born in 1515, was to write many years afterwards – « outside the city-gate called "of Faenza", next to the church of San Giovannino (which because of this was called "between the arches") ten or twelve arches of that acqueduct were still standing ».

FIG. 2 – Il Battistero.

With the Temple dedicated to the Patron Saint of Florence, our author begins his description of the city churches and hospitals, according to him, one hundred and sixty-five in all, while many other Hospitals, Monasteries, Abbeys and churches existed immediately outside the city-walls. What our goldsmith tells us in the text about each separate church is generally, alas! very little, for he usually writes at length about the titular Saints, their lives, and the legends told about them. But for the Baptistery, as for the Campanile (bell-tower) of the Cathedral, he has not followed that rule, and we have of them a long, minute and accurate description. Our goldsmith cannot hide his particular love – that of all good Florentines – for his « bel San Giovanni » (fine St. John.) and echoing the judgment of his times, he especially praises the fine bronze doors: « all perfect and marvellous things in every way, wrought by the hands of wonderful masters, for in all the world no work has ever been seen like them, nor such perfection ».

In truth, the last of the three doors – which is called the « Gate of Paradise », – had not yet been shown to public admiration when Rustici was writing his Codex in 1448, for it was set in its place only four years later, in July 1452. But it was the habit of our artist – for us of particular importance – to consider as completed, and represent them thus in his drawings – works of which there

existed the plans and models and were certainly known to him.

In this drawing one may note the relief, given specially by the distinctly red colouring, to the two shafts of the porphyry columns the Florentines were always so proud of. These columns had been bestowed as a gift from the Pisans in 1117, as a reward for the guard kept by the Florentines over their city during the Balearic War. From an architectural point of view, there is no change in the appearance of the Baptistery as we see it today. The three statues of the Baptism that were placed over the chief door many years later are naturally lacking, as are the other three with the Baptist between the Levite and Pharisee, which for the south door, the nephew of our Marco was to cast in bronze, admirably, at the beginning of the XVI. century.

Fig. 3 – Santa Maria del Fiore.

In his description of the Cathedral of St. Mary of the Flower, Rustici's words of greatest enthusiasm are for the Bell-tower or Campanile: « in this world neither with the eyes nor according to legend has anyone seen such a wonderful work of art.... » In the drawing we see reproduced the old unfinished façade by Arnolfo, which in its turn was demolished in 1578. On the Cupola (or dome), the lantern with the ball and cross are already seen, while in reality, in Rustici's time, the construction of the lantern – which was finished only in 1461 – must have been then very incomplete; for the ball and cross were placed there later in May 1471. But our goldsmith, as we have already said, used to draw and present as finished, those architectural works of which he certainly knew the plans and models. It is therefore of great interest to us, to see, just as if it had been already executed, in a very simple form, the gallery round the cupola. Perhaps also for this work Rustici knew about Brunelleschi's design or idea.

Fig. 4 – San Lorenzo.

The church of San Lorenzo, at the time Marco Rustici was making his drawings, was in the course of being completely renovated according to Brunelleschi's plans, « which church at the present moment is being greatly adorned and almost completely renovated in its construction, and it is far ahead: it will become a magnificent church....» we read thus in his text. But for our good fortune, in the drawing – for us a document of rare importance – while we are already able to identify Brunelleschi's sacristy, and the entire nave of the new church, we still see the ancient belfry, and the façade of the old church. The figure of the Saint, that according to his rule should have been in the drawing, has unfortunately been removed.

Fig. 5 – Il Bigallo e la SS. Annunziata.

When Rustici was writing his Codex the « Misericordia » or Brotherhood of Mercy, and the Company of the Bigallo had only one premises which had first been built for the Misericordia alone, but in 1425, the Bigallo also was transferred there. The aspect of this fine building is that which we see today, but the nearby houses are very different in appearance. In the picture are represented two of the deeds of mercy and charity that the companies carried out: above, a woman is lovingly taking up a forsaken child (on it we read « mercy »); below, outside the same premises, a poor girl is being supplied with money to be able to get married.

For the SS. Annunziata the drawing has particular importance. The church – as in the case of San Lorenzo – was at that time, being completely renovated, the work having been begun in 1444, but when Rustici drew his view of it, the work was far from complete, for it was protracted until 1481. We must therefore conclude that we see here the church completed according to the

original plan of the work, which later underwent various alterations. It would also be logical to surmise, that here we have also a record of that first plan, by Leon Battista Alberti, for the tribune, or rotunda, behind the high altar, that afterwards suffered vast modifications.

Fig. 6 – San Marco.

Also in this case both the Church and the Convent were being completely renewed in those years, through the munificence of Cosimo de' Medici the Elder, but the work seems to have been finished when Rustici made his drawing of it, for the whole appearance of the buildings, except with a few changes, in as we see it today. We do not see of course, the XVIII cent. façade of the church, while on the left are some remains of the primitive Gothic construction still standing, which afterwards disappeared.

On the margin of the drawing at a later period, Rustici drew in black ink, an edifice with a church looking on to Via Larga (now Via Cavour) underneath which he wrote in his own hand « ispedale de' maestri (indeed in his usual old spelling he wrote " maelstri ") di murare » « Hospital of the Master-masons ». Of this hospital there remain records in various documents of the time.

Fig. 7 – San Jacopo in Campo Corbolini.

The church of San Jacopo in Campo Corbolini, which was then a dependence of the Order of the Knights of Jerusalem, and is today of the Knights of Malta, still exists in Via Faenza, where we are able to see its small ancient portico, but all around it has completely changed. The drawing shows also a hospital of San Jacopo adjoining the church that had been founded in 1311, but of which there is no longer any trace.

Fig. 8 – Sant'Antonio.

The church and hospital of San Antonio in the text it says: « it is a fine rich dwelling place with beautiful gardens.... » belonged to the Order of the Regular Canons of St. Anthony of Vienna, and they rose near the Faenza Gate of the city. Both buildings were destroyed in 1534 to allow the construction of the Fortezza da basso (lower Fortress). Vasari also has left us a record of the beauty of the spot: « St. Anthony's was a church built in ancient fashion, very sensibly, like that of Sant'Ambrogio (St. Ambrose) where inside a great wall and around the church, there lived a great number of foreign priests, who wore on their breast the Sign and the Order of that Saint. They also had a hospital for the poor, and all around a great block of houses, at the side of which were gardens and suchlike, with much comfort, so that in the houses, as in the cloister, there were excellent paintings.... ».

Fig. 9 – San Barnaba.

The church of San Barnaba which the Florentine Republic ordered to be constructed in 1322, in memory of the victory won in 1289, over the Aretines at Campaldino, on the day dedicated to this Saint, exists even today, but everything else around it has changed. In this drawing – like many others in the Codex – we have proof of the fact that the centre of Florence in ancient times was rich in gardens and zones of greenery.

Fig. 10 – Santa Maria degli Angioli e il Tempio degli Scolari.

The aspect of the Convent of the Angioli, surrounded by extensive gardens and orchards as we see it in this drawing, has completely changed since the great works of enlargement were made in the XVI. cent. onwards, and

after other works undertaken, following its annexation to the Hospital of Santa Maria Nuova. It is of great interest to us to see completed the famous Temple of the Scolari (Rotonda degli Angioli, popularly called the Castellaccio ([ugly castle]) which, as is well known was never finished. Also here, perhaps through a rather gothic interpretation in its pediments, there has been transmitted to us a remembrance of Brunelleschi's plan, of which there is otherwise no trace left.

Fig. 11 - Sant' Egidio e l'ospedale di Santa Maria Nuova.

In the square in front of Santa Maria Nuova, everything was radically modified at the beginning of the XVII. cent. with the construction of the great arcade. Also the fine houses we see in the drawing, at the beginning of the present Via Bufalini (formerly Via de' Cresci) have nowadays a very different appearance. The vast orchards and gardens inside, have disappeared, following the continual enlargement of the Hospital. Of all the changes, only the portal of Sant'Egidio has remained unaltered, as we can see even better in the large fresco that Bicci di Lorenzo painted on the façade – now removed to under the arcade – in remembrance of the confirmation of the consacration of the church, that took place on 8th. September 1420, by Pope Martin V.

In the drawing below, we may read « Santo Gilio d-Atonia (for Athens) di schiat(t)a reale » (of royal stock). Gilio is the ancient form of Egidio.

Fig. 12 – San Michele Visdomini.

The characteristic little square of San Michele Visdomini, still existing today, is well recognisable, even if the façade of the church has not the same appearance as in former times, on account of the modifications made in the XVII. cent. Originally, this church that takes its name from the family who founded it, and is popularly called « San Michelino » (Little St. Michael) rose more in the centre of the old town, where afterwards was constructed the tribune of Santa Maria del Fiore, the Cathedral.

Fig. 13 – La Badia fiorentina.

The old church of the Badia, begun by Arnolfo in 1284, in place of the primitive one that went back to the times of the Marquisate of Tuscany, was orientated in a different manner from the present one, which at the beginning of the XVII. cent. underwent a radical transformation in the interior. Originally, the façade, still existing but hidden by the buildings constructed over it, rose perpendicularly on Via Dante Alighieri, while the transept chapels, whose wide oriel windows are still seen on the exterior, looked on to Via del Proconsolo. It is in this manner that Rustici has represented this very famous ancient church, of which only the bell-tower whose base then rose free from the ground, has remained unaltered. Below we read « la Badia di Firenze, sot(t)o Santa Giustina da Padova». (The Abbey of Florence under St. Justine of Padua). This Benedictine Monastery, in fact, depended on the Convent of St. Justine of Padua, in the XV. century.

Next to the Badia was the church of Santo Stefano del popolo (St. Stephen of the People), also of great historical importance, and Rustici in a drawing of his, has handed down to us a record of it.

Fig. 14 - San Martino al Vescovo.

The drawing in the Codex shows us the ancient church of San Martino al Vescovo – Dante Alighieri's parish – which rose in the present piazza dei Cimatori (then called Piazza di San Martino [St. Martin's Square]), and was therefore turned in the opposite direction from the present one of the same name. As a parish, it was suppressed

about the end of the XV. cent. and was afterwards pulled down, while in another place next to it, where the Curators of the « shy poor » (those who were ashamed to beg), called the « Goodmen of St. Martin » had installed themselves, they formed the present Oratory with its entrance on the tiny square of San Martino, and thus at the opposite side to that of the former church. Of this latter, the old name – San Martino al Vescovo – was gradually dropped, and substitued by the new one of « San Martino dei Buonomini » (St. Martin of the Goodmen).

Beneath the figure of the saintly Knight, who is in the act of sharing his mantle with a poor man, we read: « Santo Martino di Sanbaria (for Sabaria, today Sarwar, castle of Pannonia, as Rustici says in his text) was brought up in Pavia ».

Fig. 15 – Santa Margherita.

The present little church of Santa Margherita, partly repristinated, still conserves the appearance of Rustici's drawing. It seems to have been the parish of the Portinari family, and therefore of Dante's Beatrice. It was, at any rate, one of the most ancient churches within the first circuit of city-walls. The title of parish church was kept by it until 1831, when it was transferred to the nearby bigger church of Santa Maria de' Ricci (Madonna dei Ricci) on the Corso, and since then it assumed the name of Santa Margherita in Santa Maria de' Ricci.

Fig. 16 – Santa Maria Alberighi.

The little church of Santa Maria Alberighi, – one of the parishes inside the first circuit of walls – rose on the small square that even today still bears the name of that old Florentine family. It was deconsacrated about the end of the XVIII. cent. at the time of Grand Duke Pietro Leopoldo, and afterwards pulled down.

In Rustici's drawing there is a particularly charming little family scene, where the Madonna, seated on the ground near a big spinning wheel, – like any other good mother – is reading to Her Son, who is intent on amusing Himself with that interest and earnestness for play like any other child.

Fig. 17 – San Michele delle Trombe e Santa Maria Nipotecosa.

Among the parishes inside the « ancient circuit » of city walls a little church of remote origin bore the name of San Michele in Palchetto (St. Michael in the Loft), but since the XIV. cent. following a provision that all the trumpeters of the Commune had to live among its parishioners, the church began to be called San Michele delle Trombe, or St. Michael of the Trumpets. It was to change its name again in the XVI. cent. as in 1517, it was given over to the Priests of the Visitation, and was then called St. Elizabeth, a name it kept until its suppression and destruction, which came about at the end of the XVIII. cent., at the time of Grand Duke Pietro Leopoldo. It rose on the little square of Sant'Elisabetta, – formerly called, as we mentioned before, – St. Michael of the Trumpets, where today is built the Albergo del Giglio. The ancient round tower still exists and rises above the surrounding buildings.

The small church of Santa Maria Nipotecosa was in Via dei Calzaiuoli at the corner of the Corso, on the Cathedral side. Also this church was desecrated and destroyed at the time of the supressions by the Grand Duke Pietro Leopoldo. Its strange name, – in Latin Nepotumcose seems to have been derived, according to ancient chroniclers, from having been founded by the Adimari, deseendents (or nepotum) of the Cosi family, and especially from a certain Monna (Mistress) Cosa of that family. Old documents also inform us of an « Ademarius nepos Cose » who lived at the beginning of the XII. cent. This etymological explanation, although generally accepted, leaves many doubtful. It

seems therefore more probable that there is a Greek derivation of the word, going right back to the time of the Byzantine domination of the city, whose meaning, in Italian would be that of a « partoriente » (woman in labour) an adjective to apply of course to the Madonna. The church was also called « of the Adimari » the family of its patrons, and « of the Lily », as it faced the corner called by that name. The drawing with the figure of the Madonna who, seated on the ground is holding Her Son on her lap, is almost as charming as the other like it, in the drawing of the church of Santa Maria Alberighi. Below we read: « Oh! Mother of God, remember me ».

Fig. 18 – San Bartolommeo.

The church of San Bartolommeo was situated not far from that of Santa Maria Nipotecosa, also on Via Calzaiuoli, but more towards piazza della Signoria, half way between the corners of Via del Corso and Via dei Tavolini. It is also sometimes recorded under various denominations, such as « of the painters », for that tract of the street was once called Corso dei Pittori (Painter's Street). It was also called « on the Corso degli Adimari » for the same reason, as the street had that name towards the Cathedral, or « of the Macci » from an old Florentine family. Suppressed at the time of Grand Duke Pietro Leopoldo it was demolished in 1768, and we mourn this loss especially on seeing the drawing of it in our Codex.

Fig. 19 – Il Mercato Vecchio e San Tommaso.

The precious drawing of the Old Market was made by Rustici only to leave a remembrance of the small Oratory of Santa Maria della Tromba (from the name of an alley that was closed to allow the construction of the Oratory itself). The square, the ancient « Forum » of the city in Roman times, which has always been, in every age, the centre of the city life, is shown from the side facing south. In the foreground we see clearly the Column, erected in 1431, for which Donatello had sculptured a statue of Abundance. More to the right are some low shops, and in the background on the left, is the entrance to Calimala, on whose corner with the square, rose the recorded Oratory (in the drawing, to make it stand out better, it is distinguished also by its name: « Santa Maria del[l]a Tromba ») (St. Mary of the Trumpet).

As is well known after the deplored destruction of the old centre, the little Oratory – it should rather be called the Great Tabernacle, – was reconstructed on a corner of the Palace of the Arte della Lana (Wool Guild) in front of the church of Or San Michele.

The little church of St. Thomas rose on the square of the Old Market itself, at the corner of Via delle Ceste (Basket Street) where the Savoy Hotel is at present, extending at the back as far as Via dei Cardinali (now Via dei Medici). It was one of the parishes inside the « ancient circuit » of walls; around it were the first dwellings of the Medici family, who in the middle of the XIV. cent. attained supreme power. It was pulled down together with many other remainders of the ancient centre of Florence, in the indiscriminate demolitions made at the end of the XIX. cent.

Fig. 20 – Santa Maria in Campidoglio e San Leone.

Also this small church of Santa Maria in Campidoglio looked on to the Old Market Square, a corner of which it reached on the side opposite St. Thomas's, where the arcade is nowadays. It stood at the beginning of Via dei Rigattieri and – as its name indicates – was built over the ruins of the Campidoglio (Capitol) of the ancient Roman City, which extended on this side of the Forum about as far as the modern street that still bears its name (Via del Campidoglio). A parish inside the « ancient circuit » of city walls, it had been suppressed and de-

consacrated in 1785, at the time of Grand Duke Pietro Leopoldo, and turned into an Albergo (Inn) that was called « della Palla » (of the Ball). But one hundred years later, when it was pulled down at the time of the demolition of the old centre, it had still conserved its ancient portal preceded by a flight of steps.

The little church of San Leone, afterwards also called San Leo, was near Santa Maria in Campidoglio, on a small square to which it once gave its name, but in more recent times was called « of the Brunelleschi » and popularly « of the Marroni ». This little square opened where is the present Via dei Brunelleschi, which at that time, on either side, towards the Cathedral and towards the Old Market, bore the names of Via dei Naccaioli and Via dei Rigattieri. The church – also one of the parishes inside the « ancient circuit » of walls – had been suppressed in 1785 at the time of Pietro Leopoldo: traces of it were hardly visible amidst the surrounding edifices, when the destruction at the end of the past century carried away every vestige of the ancient centre of the city.

LA FONDIARIA INCENDIO AND LA FONDIARIA VITA

.... chronicle of 75 years

The years prior to the foundation in Florence of the Fire Insurance Company « La Fondiaria » were featured by the melodramatic downfall of the Grand Duchy of Tuscany (1859) and by the transfer of the Capital of the Kingdom of Italy, first from Turin to Florence (1865), then from Florence to Rome (1871), a fitting climax to the first phase of our Risorgimento; then, the years from 1871 to 1879, during which life in Florence was hard and somewhat distressful.

The city languished. After the Court, the Ministries and most of the Public Departments had moved out, the only organisations of nation-wide scope and importance still left in Florence, sole lights in an otherwise complete obscurity, were: the « Società Italiana per le Strade Ferrate Meridionali » (Southern Railways), under the guidance of its founder, Count Giovacchino Bastogi, and the « Società Generale di Credito Mobiliare Italiano », whose Managing Director was Comm. Domenico Balduino. The « Banca Nazionale del Regno » had left here only the offices of its Supreme Council, under the presidency of Comm. Giovanni Bombrini.

Locally, the financial crisis found its most conspicuous manifestation in a Decree of the Florence Municipal Council, issued on March 17th 1878, which declared the Commune *in moratorium* and publicly denounced the gravity of the so-called « Florence question », which originated from the heavy expenses the city had encountered in order to be up to the task as Capital of the Kingdom, with Ubaldino Peruzzi as Mayor and Giuseppe Poggi as City Architect, and from the ultimate downfall of all the illusions and speculations which had arisen during those few years.

At the same time the confidence of the people in the banks, particularly in the « Cassa di Risparmio » (Savings Bank) ostensibly began to weaken. The citizens came to be divided into two different camps, the fearsome, and the confident, until, after two years of this unbearable situation, reason and faith finally prevailed and the Florentines began to show renewed confidence in the future of their beloved city. To the rescue of the « Cassa di Risparmio » there came a flow of new deposits, notably including one from King Humbert, who had a savings account opened in the name of his son, the Heir apparent to the throne. At a meeting of the city's leading Workers' Companies it was decided to put all the funds available at the disposal of the « Cassa di Risparmio ». This resolution was passed with a noble address expressing the general solidarity towards that institution, and thus enabled it to resume its forward march, which has since raised it to third among the leading Savings Banks of the country.

The citizens unanimously supported that move, and such widespread feeling towards rehabilitation eventually resulted in the promotion of new enterprises powerful enough to meet the requirements of a rapidly expanding economy.

Just as the Florence « Cassa di Risparmio », founded in 1829, had been created on French models, studied by Ferdinando Tartini and advocated by Cosimo Ridolfi, so the project of a new big insurance company in Florence originated from ties of friendship with the French, and from the experience of a Paris Company, « La Foncière », hence the name « La Fondiaria » given to the new institution.

Thanks to the initiative of Domenico Balduino and Prince Don Tommaso Corsini, a move in that direction was started at the end of 1879 and soon won the sup-

port of, among others, Senator Marchese Carlo Alfieri di Sostegno, N.H. Gerolamo Bassi, Senator Count Giulio Belinzaghi, Marchese Paolo Farinola Gentile, Senator Carlo Fenzi, Count Giovacchino Bastogi. These were the men who decided to found the new company. Domenico Balduino was charged with the task of contacting the corresponding French group, which was headed by Baron Georges de Soubeyran, a French parliamentary Deputy.

The constitution deed was drawn up on January 15th 1879, and the new institution was named « La Fondiaria », Italian Insurance Company, at fixed premiums against the risk of fire, with a capital of 40

Tommaso Corsini

million Lire in gold, 8 of which were deposited.

The first meeting of the Company's Shareholders took place on March 15th of that year, at the offices of the « Credito Mobiliare Italiano », in Via Bufalini.

The first Board of Directors consisted of: Prince Don Tommaso Corsini, parliamentary Deputy, President; Comm. Domenico Balduino, Vice President; Marchese Carlo Alfieri di Sostegno, Senator of the Kingdom; N.H. Gerolamo Bassi; Count Giulio Belinzaghi, Senator of the Kingdom; Cav. Avv. Marcello Bombrini; Cav. Avv. Augusto Caputi; Comm. Alessandro Casalini; Count Antonio Cerasi; Cav. Antonio Cilento; Cav. Avv. Pietro Collarini; Don Andrea Corsini, Marchese of Giovagallo; Count Federico De Lagrange; Baron Georges de Soubeyran, French parliamentary Deputy; Paolo Farinola Gentile; Comm. Carlo Fenzi, Senator of the Kingdom; Comm. Avv. Leopoldo Galeotti, Senator of the Kingdom; Marchese Giuseppe Garzoni, Senator of the Kingdom; Cav. Felice Martin; Marchese Giovan Battista Raggi; Edmondo Scherer, French Senator. The first Board of Auditory included: Comm. Antonio Allievi; Cav. Guglielmo Osio; Comm. Ing. Secondo Borghini.

The President, Prince Don Tommaso Corsini, personified that great Florentine tradition of an aristocracy always eager to gain new ground in industry and trade, and to excel in the fields of knowledge, art and diplomacy. Vice President Domenico Balduino, the real promoter and materialiser of the enterprise, personfied the constructive capacity of Northern Italian finance, animated by enterprising spirit, and eager to lead the « Bel Paese » into the vivifying atmosphere of progress and industrial revolution.

Domenico Balduino started his long career from a modest position, but it was not long before prominent personalities became aware of his exceptional qualities. First among those who predicted a most successful future for him was Camillo Cavour, who, knowing well the man's ability, zeal and straightforwardness, recommended him for the management of « Cassa dell'Industria e Commercio » — Credito Mobiliare — to which office he was welcomed at a Meeting of Shareholders. Through intelligent reforms and new directions which he gave to that institution, he fully lived up to the expectations of the great statesman: in fact, under his management, Credito Mobiliare rapidly moved to first rank among the leading financial in-

Domenico Balduino

stitutions in the Kingdom, and his name began to stand in Italy and abroad as a guarantee for any high standard operation in the field of trade and finance.

The other members of the Board were also high class men, active in the Parliaments of Italy and France, outstanding in the fields of banking and industry, and above all well aware of the possibilities and needs of their country, which was then striving to achieve a unified internal organisation.

A Royal Decree of April 6th 1879, less than three months after the drawing up the constitution deed, authorised « La Fondiaria » to commence its activity in the Kingdom. Operations followed: on April 25th of that year, the first Fire Insurance Policy was issued in the name of Counts Bastogi.

The Head Office of the Company was established in the building situated at N° 8, Via Cavour. The Board of Directors appointed as manager of the newly formed Company, an insurance expert of well known ability and experience, M. Emile Guitard, the « dear Monsieur Guitard », whom early generations of La Fondiaria employees came to love and appreciate, pointing him out to the following generations as an example of honesty and technical capacity. He fully exploited the advantages deriving from the association of the two Latin groups. Then, as time went on, the French members gradually began to disappear from our Board of Directors, on which they had highly authoritative exponents such as the economist Paul Leroy Beaulieu. Even today, however, there exist in that noble country some faithful Shareholders of our Company.

Reinsurance relations were soon established in all the principal countries, particularly in Great Britain and Switzerland. Business with most of the Reinsurance companies from those early years is still flourishing nowadays. This should bear witness to the reputation La Fondiaria has won for itself on the world market of Insurance.

It is time, however, to write the chronicle of the years from 1879 up to the present day, some of the leading episodes have, in fact, become history.

Looking back over these 75 years, we

Giorgio de Soubeyran

can break up our activity into four different periods:

1879 - 1900

These were the fruitful years of our prime of life, those which saw the steady progress of this newly formed Company, thanks to the concerted efforts of its three main founders: Corsini, Balduino and De Soubeyran. This period is featured by agreements with the Foncière Group of Paris and by efforts to establish a firm foothold all over Italy. In fact, the country soon came to regard our Company as an

Emilio Guitard

important agent for the advancement of national economy.

The Guitard management, characterised by liberality of ideas and by strict fulfilment of undertakings, was to leave a deep mark in future years and actually set an example which has been followed ever since.

In April 1879, Administrative Committees with large extensive powers were established in Paris for the organisation of work there, and in Rome for the institution of Branches and Agencies throughout Lazio and the Southern Provinces.

At the same time agreements were stipulated with Messrs. Heckscher and Pearson in London and with Messrs. Heckscher and Gottlieb in Berlin, representatives of leading Insui nce Companies, and these gentlemen were appointed delegates of La Fondiaria in their respective countries, with the purpose of stipulating reinsurance contracts with the Companies that conducted direct operations there.

Some time later, namely at the Meeting of the Board on Sept. 24th, 1879, Domenico Balduino announced that French financiers had expressed their desire to reach an agreement with La Fondiaria for the foundation of a Life Assurance company, provided that the existing Fire Insurance Company gave up its right to write life assurances, and the new Company be named «La Fondiaria». An agreement on these lines was soon reached, and actually proved advantageous also to the old Italian Shareholders. The two Companies were given a common organisation both internally and externally, and from then on they operated in full unity of purpose.

La Fondiaria Life was founded on November 28th 1879 under the denomination «La Fondiaria Italian Company of Insurance at fixed premiums on life, with a Capital of 25 million Lire in gold, half of which paid up. This new institution was officially recognised by Royal Decree on May 10th 1880 and became operative on July 16th 1880. The first President was Prof. Comm. Pietro Cipriani, Senator of the Kingdom, and the General Manager was Cav. Emilio Guitard.

The statutes of « La Fondiaria Life » included among other objects, the insurance against « accidents likely to be of harm to the human body ». This was in fact the first seed of the Accident Branch, which no other company had yet started in Italy.

La Fondiaria Fire had by then widened its scope with the addition of an insurance against the « unproductivity of property damaged by fire », another form of insurance which was being introduced into Italy for the first time.

The organisation of the two Companies, thus unified (from the General Manager down to the Agencies), proved to be of great practical value for the expansion of business. In the early days, most of the Agents of the Company were bankers or financiers; later on, however, they began to be chosen from among persons who were able to devote themselves in a more direct way, and with professional aims, to the delicate and difficult task of promoting and furthering contacts with the Assured. Even in those days much was asked of the new organisation: 1881 was a most crucial year for the Fire Insurance companies due to frequent and heavy losses, but La Fondiaria succeeded in fulfilling its obligations, leaving its Capital intact. In 1883, after the abolition of currency notes it was decided to gradually reimburse the Shareholders for their contributions to the Guarantee Fund which had been built up in order to cope with fluctuations in the rate of exchange of gold, the currency in which the Capital was originally paid up.

Still in 1883, La Fondiaria Fire had a part in the foundation of the « Concordato Italiano Incendi », following an agreement reached in Bologna among three of the leading Companies of those days — Assicurazioni Generali, Riunione Adriatica di Sicurtà, and Compagnia Anonima di Assicurazioni di Torino — for the purpose of jointly studying the most suitable solution to the problems of common interest.

In 1885, our Company, the Head Office, which had by then been moved to N° 17, Via Tornabuoni, already enjoyed a prominent position on the Italian Insurance market, and when, in July of that year, the great personality of the Founder, Domenico Balduino, was no longer with us, through death, one could look to considerable advances, particularly worthy of appreciation, inasmuch as Insurance, though already half a century old in our country, was still comparatively unknown to the general public, hence not largely developed.

A first inquiry into the state of Insurance business in Italy, promoted by Minister Grimaldi and successfully conducted, in 1886, by Luigi Zammarano, threw light on the progress made, on a nation-wide scale, by the Florentine Company.

Zammarano reported that in only five years of activity, La Fondiaria had moved to fourth among the top-ranking Italian companies in the Fire Branch, and to sixth among those of every nationality that operated on the Italian market. A statistical survey conducted in 1884 in the Life Branch showed that La Fondiaria Life ranked third among Italian and Foreign Companies operating in the Kingdom.

In his report Zammarano said: « Of the three Italian Companies, Reale Vita of Milan, Fondiaria Life of Florence and Compagnia di Assicurazioni of Milan, the Milan Company operates in the Life Branch almost exclusively on annuities business, whereas Reale Vita, after 25 years of activity, and notwithstanding the support received as the first Italian Institution of its kind, has only 45 million Lire of assured sums, just as many as those of La Fondiaria, which can point to only 5 years of activity and owes its rapid growth not only to its substantial Capital (25 million Lire, half of which paid up) and to the support of powerful banks, but primarily to its highly efficient organisation ».

Writing about La Fondiaria, he praised « the thoroughness and exactness of its budgets, which placed it in the front row of Stock Companies ». In examining conditions in the Life Branch, the technical side of which, besides being practically unknown, was then regarded with distrust by the general public, and even by some high authorities, he wrote: « In Italy Life Assurance is at its beginning; and the inconveniences experienced in other countries are not likely to occur here, at least for some time to come. The two national Companies offer no reason for concern in the fulfillment of their commitments. Reale Vita of Milan probably calculates its re-

serves in the French method, that is according to the Duvillard Table, applying increases in the old age brackets: experience shows that these reserves are sufficient. La Fondiaria Life calculates them more rigorously, according to the new English Table, so far the most accurate of all. These Companies, both owing to their care in the selection of risks, and because of the credit given to their Directors by the Banks, and the latter (La Fondiaria) also on account of its substantial capital, can certainly vie with the leading Foreign Companies: in fact, of those operating in Italy, not one is in a position to offer better safety guarantees ».

What means and active forces had nourished and supported the dynamic action that in only five years brought the two Florentine companies into such a prominent position? Initial economic potential was not the only explanation for the rapid growth of La Fondiaria Fire (backed by a nominal capital of 40 million Lire in gold, the equivalent of more than 13 milliard Lire nowadays, and with one fifth of that amount paid up) or of La Fondiaria Life (backed by a nominal capital of 25 million Lire in gold, half of which, paid up — the equivalent of 7 milliard Lire nowadays): such imposing means were in fact coupled with even more important factors — the ability and prestige of highly qualified men.

To what extent these qualities were contributory to the success of the Companies is best explained in some of the notes which then accompanied and commented the most important resolutions, such as for example the note which, referring to the exuberance of La Fondiaria Fire capital, made known the decision to cut it to the part already paid up.

The following is an extract from the Report by the Board of Directors at the General Meeting on May 10th 1887.

« . . . . . .

« Considering that the situation of this Company « is such as to allow full confidence in future « developments, the Board has come to the con- « clusion that the present Capital of 40 million « Lire by far exceeds its actual needs.

« . . . . . .

« When our Company was founded, it was cert- « ainly wise and convenient to build it up on « a large Capital. It should be remembered that « at the time the tendency prevailing was in « favour of large Capitals; in France there were « Companies which had started with 35, 40 and « even 50 millions, and some of the old Com- « panies had increased their Capital; if a new « enterprise had then appeared with a small « Capital, it would have been looked upon with « indifference and mistrust. In financial mat- « ters it is not wise policy to go against the « trends prevailing in public opinion.

« On the other hand, La Fondiaria had been « planning to extend its operational field, not « only to the whole of Italy, but to other « countries as well; to realise such a programme « it was however necessary to devote part of « the Capital to the operations conducted « abroad.

« Even at home, in order to be up to the stand- « ard of the older Companies which in the last « 50 years had accumulated large reserves and « constituted, in spite of their limited Capital, « remarkable financial units, La Fondiaria could « have no better medium than a large Capital. « In fact, we have no reasons for regret, because « our initial potential helped us reach in a short « time a standard which other Companies had « attained in twice or three times as many years. « La Fondiaria was welcomed by the world of « industry, finance, public administration and « big concerns, as a first class Company, so « that it was immediately able to participate « in the most relevant Insurance business of « the country.

« Now, however, the reasons which had made « it advisable, maybe necessary, to build such « a large capital, no longer exist.

« The experience of the past few years has « shown that large capitals are not enough to « prevent the ruin of badly administered Com- « panies; some of the most recent catastrophes « actually lead one to assume that large Capitals « sometimes contribute to make a fall more « spectacular and detrimental. Some of the new « Companies are being liquidated; some of the « older ones, which had increased their Capital, « are now cutting it down to less substantial « sums.

« It is acknowledged that in the Insurance « business, money cannot replace all the other

Pietro Annigoni – *Mountains are nothing but shadows.* (Offered by the Head Office Staff).

Angiolo Tommasi (1858-1923) – *Sea piece.* (Offered by the Agents of the Companies).

Gift from the « Swiss Reinsurance Company », Zurich.

« forces on which prosperity depends, namely « an earnest administration, a competent management, an efficient staff.

« . . . . . .

« The paid up Capital, which amounts to « 8 million Lire, in addition to the reserves, is « undoubtedly more than sufficient, both as a « general guarantee and in the event of un- « predictable mishaps.

« In fact, looking at the budgets of the leading « and most reliable Companies operating in « Italy, in the Fire Branch, it appears that « even by adding up paid up capitals and re- « serves, not one reaches that sum.

« . . . . . .

« In view of the above considerations, gentlemen, « our Board decided to submit to your approv- « al the proposal now on the Agenda, calling « for a reduction of our capital form 40 to « 8 million Lire.

The first President of La Fondiaria Life, Senator Pietro Cipriani, died in 1887 and his place was taken by Marchese Andrea Corsini di Giovagallo, the former Vice-President.

The end of the century coincided with a phase of consolidation for La Fondiaria. Measures intended to ascertain foreign market possibilities and to enter new business relations, were accompanied by the institution of Branch Offices in Istanbul, Athens and Tunis (we already had an Agency at Alexandria, in Egypt).

A continual and accurate check of the Company's possibilities was necessary, especially in view of the crisis which then confronted the nation's economy, with inevitable repercussions on the Insurance Branch. At that time the Directors and the Management spontaneously decided to cut their own salaries, to make sure that the general expenses would not exceed the industrial profits. They thus set an example of adaptability to circumstances.

In 1893, the growing importance of the two Companies made it necessary to transfer the Head Office to larger and more adequate premises, namely to N° 6 Piazza Vittorio Emanuele, (now Piazza della Repubblica), where our Head Office still is.

In that same year, Cav. Enrico Fantazzini, up to then Manager of our Turin Agency, took over as General Manager, following the resignation of Cav. Guitard, who had been appointed a member of the Board of Directors. The latter, however, died early in the following year, soon after his return to France.

In 1895, following the resignation of Marchese Andrea Corsini di Giovagallo, N. H. Gerolamo Bassi was elected President of La Fondiaria Life.

In the intervening time, important changes and settlements on the market caused the tranfer of major business portfolios. The transactions made by our Group, in the early stage, consisted of acquisitions.

In July 1895, the Swiss Company Helvetia of St. Gallen and its Co-insurance partner, Società di Riassicurazioni e Coassicurazioni Generali Italia of Genoa, ceased to carry out Fire business in Italy and transferred their portfolios to La Fondiaria Fire, thus providing the latter with an additional income.

A similar decision, at the same date, brought the cessation of activity of the « Accident Branch » of the above-mentioned Società Italia, which had until then operated this Branch in co-operation with the Swiss Company Zurich. The substantial portfolio of that Company in Italy was transferred to La Fondiaria Life.

The contraction of business, caused by the general reasons mentioned above, was thus compensated in the case of La Fondiaria by the absorption of new, important portfolios.

However, under the persistent pressure of the agents that had caused such tranfers, the opposite phenomenon inevitably occurred: La Fondiaria Life resolved to discontinue its « Accident » business as from January 1st 1897 and the relevant portfolio was transferred to the « Società Anonima Italiana di Assicurazioni contro gli Infortuni » of Milan. Thus, after 16 years of

business, the Italian pioneers of insurance in the « Accident Branch », which in this country was later to develop into the most important of all branches other than Life, had to give up, having lost confidence, as one may assume by reading the report of the Meeting of Shareholders on May 12th 1897, owing to the narrow limits of business, the growing competition and the frequent claims and arguments, which certainly did not contribute to create the quiet atmosphere required to carry out Life business.

Even so, La Fondiaria Life went on, with renewed faith in its own Branch, trying to enlarge the field of its operations: in 1900 the Company introduced new general tariffs, with many interesting combinations, some of which were quite unusual for Italy. This was possible thanks to the personal intervention of its Actuary, who was later to attain international fame, Prof. Guido Toja. The latter must be credited with high merit for the advancement of Italian Life Insurance, to a technical standard comparable with that of its most advanced Foreign counterparts.

Gerolamo Bassi

1901 - 1918

At the dawn of the new century, namely in 1904, our two Companies celebrated their Silver Anniversary. Always aware of the efforts of its collaborators, the Administration chose the occasion to introduce new provisions for the benefit of its Personnel, including the institution of a Sickness Fund. A further advancement of the two companies was provided by the appointment of Comm. Avv. Guido Treves as Managing Director of the two Companies, in May 1906. He worked jointly with Marchese Tanari, elected Vice-President of La Fondiaria Fire and President of La Fondiaria Life to suceed N. H. Gerolamo Bassi, who had died in October of that year. There was a notable expansion in the financial activity of the Group, especially in the Real-Estate Department, and at the same time further progress in technique and organisation was achieved, thanks to the efforts of Comm. Ing. Guido Toja, who at the end of 1907 was appointed General Manager, following the resignation of Cav. Fantazzini, due to illness.

Major calamities in Italy and abroad, in the early years of the new century, put the resources and the solidarity of our Companies to a most exacting test. The fire which, following the disastrous earthquake of April 18th 1906, caused the destruction of a large part of San Francisco (California), found La Fondiaria Fire extensively committed in the risks through reinsurance. The Company actually paid, as its own share, a most considerable sum. In 1908 Italy was shaken by the Calabria--Sicilian earthquake, which brought the destruction of the towns of Reggio Calabria and Messina, causing the death of more than 100,000 people. La Fondiaria Life had to pay many policies of its Assured there.

No matter how satisfactory had been the activity of the two Companies, the hard times made it imperative to get out of the

traditionally closed circle of Fire and Life Insurance. The Board of Directors therefore decided to found a new Company for writing free and compulsory Personal Accident, third Party Liability, and Plate-Glass-Insurances. The Company thus formed, with the denomination « La Fondiaria, Italian Company of Insurance against Accidents », with a capital of 2,500,000 Lire, came to life on October 2nd, 1909, and was recognised officially by a Decree of the Florence Tribunal on October 7th of the same year: Marchese Tanari was the first President.

To follow the programme already outlined, it was decided to extend the activity of the Group to Insurance against Hailstorms: as a result of this there would be a larger participation in the capital of « La Reale Grandine » of Bologna, which for that purpose was tranformed from a Mutual Co-operative Company into a Shares Company. La Reale Grandine of Bologna, which, thanks to the activity of its founder and Manager, Comm. Avv. Giovanni Zanotti, already enjoyed excellent credit on the market, thus entered the Fondiaria sphere, though maintaining Sen. Avv. Enrico Pini as its President. The latter was a well-known authority and a great benefactor, who had been in office since 1906. The Management of the Company also remained unaltered.

Cav. Maurizio Ignazio Grossmann, who since May 1895 had been on the Board of Directors of La Fondiaria Fire, died in May 1910. He must be mentioned as Founder and Manager of « Helvetia » of St. Gallen, as well as Founder of the « Swiss Reinsurance Company » of Zurich, which were both Reinsurers of La Fondiaria.

After the issue of a law providing for the monopoly of the State on Life Business, in April 1912, La Fondiaria Life found it advisable to cease its operations even before the time set by the law, and on Jaunary 1st 1913, the Company transferred its entire portfolio to the Istituto Nazionale delle Assicurazioni. That was not the only contribution of La Fondiaria to that

Guido Treves

organisation, for the « Istituto » also inherrited many officials of the Company, highly qualified men, expert in technique and administration, and the Medical Staff, which comprised 1,500 physicians. This staff had been formed with the valuable aid of the famous Prof. Pietro Grocco, Vice-President of La Fondiaria Life.

In view of these changes, the activity of Fondiaria Life was practically reduced to the administration of the Company's property and to the continuation of the existing Reinsurance relations with Foreign countries, no other operation being then feasible. As a result, early in 1913, Comm. Ing. Toja could retire from the Management of the Company, though remaining in office with La Fondiaria Fire and La Fondiaria Accidents.

August 1914 saw the outbreak of World War I. and in May 1915 Italy too entered the conflict.

The new state of affairs inevitably had its effects on the productive and administrative activity of our organisation, making

it more and more difficult. Many from the Head Office and the Agencies staff joined the colours.

Notwithstanding these difficulties, our work went on, and the new situation

Giuseppe Tanari

brought new forms of activity. The use of the Air Force for long-range destructive actions suggested the idea of an Insurance against damage caused by such raids. La Fondiaria Accidents in co-operation with powerful Reinsurance Companies in the Allied countries, did not hesitate to start operations in this most unusual and risky Branch.

At the same time, still as a result of the War, more important events occurred: the old and well-known Viennese Company Danube, which since the days of the Lombardo-Veneto Kingdom had deep roots in those regions, and had later extended its activity to the whole of Italy, automatically came under the Alien Act and was sequestered and threatened with liquidation. Its Italian representative, Comm. Domizio Castelli, applied to La Fondiaria to seek a way whereby the latter could save from dispersion all those Managers, Executives and Agents, who for many years had been loyal to that Company, as well as their valuable portofolio in this country.

La Fondiaria came into contact with the Viennese management of the « Danube » to see whether, subject to the consent of the Italian Government, the assignment of the whole Italian representation to La Fondiaria was possible. The talks had a successful conclusion, after which, with a decree of February 15th 1917, La Fondiaria established, with a capital of 5 million Lire, the « Compagnia Italiana di Assicurazioni La Previdente », which took up the Italian representation and the portfolio of the «Danube », thus starting from a most favourable position, with Sen. Dr. Enrico Scalini as President and Comm. Castelli himself as Managing Director. In 1924 Comm. Professor Giuseppe Scarpellon took over as General Manager. Later on « La Previdente » extended its activity, through its associate « Fenice » of Venice, to the Hail Branch.

1918, last year of World War I: January 1st, La Fondiaria Fire and La Fondiaria Accidents appointed Vice General Manager Gr. Uff. Ing. Edmondo Reggiani, who was to take the place of Gr. Uff. Ing. Toja as Head of our Companies. The latter had expressed the desire to have a position of less responsibility and import: after relinquishing his post on December 31st 1918, he entered the Board of Directors of the said Companies as Technical Adviser. Later he assumed the position of General Manager of the Istituto Nazionale delle Assicurazioni.

In April 1918, again in co-operation with the leading Italian Companies, La Fondiaria had a part in the foundation of «La Consorziale», Italian Reinsurance Company with its Head Office in Milan, and a Capital of 10 million Lire. This Company was soon to develop into an important instrument for the exchange of insurance risks between Italy and other countries.

In the subsequent month of May, La Fondiaria Fire increased its capital from 8 to 10 million Lire.

Gaspare Diziani (1689-1767) – *Pastoral Scene.*
(Offered by « La Prévidente », Insurance Company, Milan).

Florence in 1700. (Ancient engraving offered by M. Jacques André, of Paris).

At this point one may ask: what about La Fondiaria Life, deprived of its industrial activity? Well, that Company waited for better days and under the provision of a Decree of March 27th 1918 changed its denomination to « La Fondiaria, Società Finanziaria ». This name and the few officials still in office proved good enough to achieve remarkable success on the financial market in Italy as well as to conduct the brilliant operations which will be dealt with later on.

The end of the year coincided with the glorious and victorious conclusion of our Risorgimento: the final reunion of Trento and Trieste to the Motherland. In both the liberated towns, and also in Gorizia, La Fondiaria established new Agencies.

Our soldier-employees returned from the front, but the joy for this happy occurrence was attenuated by the death of others — Luigi Binazzi, Giulio Grifoni, Ottorino Orsi, Alberto Sani, Giovanni Ulivieri — whose names are engraved on marble in the Entrance Hall of our Head Office: but even more, they are impressed deeply in our hearts.

1919 - 1939

Two prominent figures who had so greatly contributed to the advance of our Companies departed from our midst: Prince Don Tommaso Corsini, President of La Fondiaria Fire since its foundation, and Count Giovacchino Bastogi, its Vice-President. Both passed away in 1919. Old Florence of the XIX. cent., and the elderly Fondiaria of 1879, thus lost two outstanding personalities, whose decease was universally, mourned. Prince Corsini, as President of La Fondiaria Fire, was succeeded by Marchese Giuseppe Tanari.

In the meantime, both La Fondiaria Fire and La Fondiaria Accidents were actively engaged in the difficult task of post-war reconstruction, and principally in bringing up-to-date their portofolios after the devaluation of the Lira. The two Companies thus started a new action of wide scope on thousands of policies, up to 1926, this while new insurances continued to be written.

In 1922, following a legislative Decree, the Istituto Nazionale delle Assicurazioni, in co-operation with La Fondiaria and other leading companies, founded the « Unione Italiana di Riassicurazione », with its Head Office in Rome and a Capital of 30 million Lire.

The first post-war years were featured by initiative and expansion in business, and quite noteworthy were the gains of La Fondiaria Finanziaria, established in 1918, to administer the large property left by La Fondiaria Life. In 1920, hence only two years after its foundation, this company secured the disposal of the shares of the « Società Toscana Beni Stabili », which thus passed entirely under the control of, and was later merged in, La Fondiaria Finanziaria: with that operation this Company became owner of substantial assets in real estate.

Marchese Tanari, wishing to confine his activity merely to the Insurance Branch, resigned from the Presidency of La Fondiaria Finanziaria in June 1922 and his decision was accepted, although with regret, by the Board. Marchese Filippo Corsini was appointed as his successor.

La Fondiaria Finanziaria again started a move which was to prove of great advantage to the entire Group: namely the resumption of Life Business, which was facilitated by the new legislation abolishing the monopoly of the State.

In 1924 La Fondiaria Finanziaria was authorised to create, together with La Fondiaria Fire and La Fondiaria Accidents, a new Company, heir to the old and glorious one, which had carried out Life Business from 1879 to 1912.

The new Fondiaria Life, founded on July 9th 1924, with a Capital of 5 million Lire, was recognised officially by a Ministerial Decree of November 29th 1924. The first Board of Directors had Marchese Giuseppe

Tanari as President, Gr. Uff. Ing. Edmondo Reggiani as General Manager. Thanks to the credit enjoyed by its name and past reputation, the new Company, adequately aided by the two sister organisations, and thanks also to the activity of new men such as Vice General Manager Gr. Uff. Dr. Riccardo Ottaviani, had a rapid and notable expansion.

In the meantime, La Fondiaria Finanziaria continued to grow in stature. Its Capital was raised in 1924, from 25 to 30 millions, and later to 50 million Lire, whereas that of La Fondiaria Fire was increased from 10 to 20 million Lire. Wise measures, no doubt intended to safeguard the independence of the two Companies against possible attempts to gain control of such prosperous concerns. However, in the case of La Fondiaria Finanziaria it soon became technically and practically unadvisable to maintain such a great quantity of shares; in April 1926 the Capital of the Company was therefore cut to 32.000.000 Lire, that is to the amount actually paid up.

Marchese Filippo Corsini, President of La Fondiaria Finanziaria, passed away in November 1927: he was succeeded by Marchese On. Ing. Emanuele Trigona.

Also the other sister organisations continued to be most active. In 1924 la Fondiaria Fire instituted a Burglary department. At the end of 1925 the entire Fondiaria Group, in co-operation with other Companies, took part in the formation of « Mutua Italiana di Assicurazione Bestiame » (live stock), M.I.A.B. In 1927 the Group took part in the foundation of « Società Italiana di Assicurazione Crediti ». In 1928 the Capital of La Fondiaria Fire was raised from 20 to 25 million Lire.

Meanwhile, important events occurred in the economic and social life of our country. Following a Law of December 5th 1926, private enterprises had to relinquish the exercise of Workmen's Compensation Insurance, and in 1927 a policy aiming at the revaluation of the Lira was started.

These changes had inevitable repercussions on our work. On the strength of the abovementioned monopoly of the State on Workmen's Compensation Insurance, La Fondiaria Accidents had to give up writing new policies after December 31st 1927. In fact, the exercise of the then existing contracts also had to cease, for our Company as well as for all private enterprises. The date set for the cessation of this activity was December 31st 1928. The new monetary policy brought limitations to the extent of business transacted, this because the contraction in prices, the decreasing profits and other consequent obstacles inevitably resulted in decreased production, so that major difficulties appeared to close the way to any new enterprise.

Losses, in the form of deaths, and gains, continued to alternate in rapid succession.

In 1928 the President of Reale Grandine, Senator Pini, passed away, and was succeded, even if only for a short time, by Comm. Avv. Antonio Carranti, whose place was taken in 1930 by Comm. Avv. Frank De Morsier. In May 1929 La Fondiaria Fire celebrated its Golden Anniversary with a meeting of all its Italian and Foreign friends. In October of that year death took General N.H. Guido Bassi, Director of La Fondiaria Fire, and of the old La Fondiaria Life since 1910, and a worthy emulator of his father, Gerolamo Bassi.

Another noble figure of the Companies of our Group, Gr. Uff. Augusto Richard, Director of the old La Fondiaria Life since 1903 and of La Fondiaria Accidents since its foundation, passed away in November 1930.

That year saw another notable event: the foundation, on April 26, 1930, of « La Previdente Vita », with a capital of 10 million Lire. The initiative had been taken by La Fondiaria itself, which, in agreement with the Swiss Reinsurance Company, created the new organisation for the purpose of completing the operational field of La Previdente, which already had prosperous

and industrious Agencies in other Branches, all over the country.

However, Life Assurance business became more and more difficult as a result of the general economic crisis. This brought to an aggravation of the phenomenon, first noticed during the preceding year, of the contraction of business coupled with an increased number of applications for surrender and cancellation of old contracts. The possibility of an agreement among the various Companies concerned was carefully studied, with a view to restoring this all important branch of public and private economy to its onetime prosperity.

In 1933 a severe loss afflicted our Company: the decease of Senator Marchese Giuseppe Tanari, President of La Fondiaria Fire, of La Fondiaria Accidents and of the new La Fondiaria Life. A brief comment on his outstanding personality seems fitting and proper. He was successful in whatever field his multiform activity brought him to operate, thanks to his very high qualities and noble character: in Bologna, his native town, which elected him Mayor and parliamentary Deputy; in the Capital, where he was Vice President of the Senate, then Minister of State. He deeply loved our Group and gave his name to a foundation for the benefit of our personnel, supplying the initial capital himself.

He was succeeded by Marchese Ing. Emanuele Trigona, as President of La Fondiaria Fire, and Prince Pietro Lanza di Scalea, as President of La Fondiaria Accidents and La Fondiaria Life.

Our Companies had by then reached a state of full maturity and it was therefore time to study the possibilities of further expansion of their activity.

Ing. Edmondo Reggiani, with his liberal views about the problems of our business, and being an ardent advocate of the necessity to renovate the too rigid schemes which traditionally governed our relations with the Assured, decided that the time was ripe for new, modern forms apt to facilitate further advancement in our insurance work.

For this purpose and at his own proposal, in 1934 the Board of Directors appointed Gr. Uff. Umberto Fecci, who had a long experience in the progressive school of insurance, as Vice General Manager of the three Companies.

In a short while our Companies managed to extend their operations to new Branches and to new forms of Insurance. At the same time, encouraged by the Ministry which then exercised supervision over all Insurance Companies, they introduced new types of policies, featured by brief, clear and liberal conditions, as well as by adaptability to any combination of risks (comprehensive policies), hence far remote from the old, plethoric schemes which had caused so much criticism from the Assured. These new measures immediately proved most popular with the public and largely contributed to raise our prestige. These

Emanuele Trigona

innovations received full acknowledgment a few years later (1942), when, with the coming into force of a new Civil Code which strongly affected the insurance law

by amending to the benefit of the Assured, the provisions relating to insurance contracts, the policies issued by our Companies remained unaltered, while those of other Companies had to undergo substantial changes.

This reform in forms and methods, which had bearing also on administration, was accompanied by operations meant to increase the active power of the Companies of our Group: in April 1934, La Fondiaria Accidents doubled its capital, raising it from 2,500,000 to 5,000,000 Lire, and La Fondiaria Finanziaria, thanks to its substantial assets, was able to embody the new La Fondiaria Life (resolution of the Meeting on April 15th 1935), which, as related above, had been formed in 1924, following the abolition of the State monopoly. At the same time, La Fondiaria Finanziaria resumed its earlier denomination of « La Fondiaria Life », thus returning to its glorious origin.

While all this fruitful work was being carried out, Ing. Edmondo Reggiani died suddenly on May 31st, 1937. In our family he will be forever remembered for his paternal and aimiable character, as well as for his vivid and well-balanced intelligence: to him succeeded, as General Manager, Gr. Uff. Umberto Fecci.

Those were however the years during which the possibility of a second World War began to loom more and more distinctly. Life in our country became increasingly difficult due to the political and economic isolation in which Italy found herself after declaring war on Ethiopia, and being consequently inflicted economic sanctions by the League of Nations. Even so our Companies carried on with some success both in Italy and in Ethiopia, where early in 1937 they had established a general Branch Office in Addis Ababa, while other prosperous Agencies of ours continued to operate in Lybia, Eritrea and the Aegean Islands.

In the meantime, however, the antisemitic campaign was started in Italy, with major repercussions in several fields of national life, not excluding that of our business. As a consequence of this campaign in 1938 Comm. Avv. Guido Treves, our Managing Director, who for over 40 years had been a most intelligent and indefatigable assistant had to resign. Other prominent Directors, Managers and executives suffered the same fate.

To fill the post left vacant by Avv. Treves, the Boards of the three Fondiaria, at their Meeting on December 21st 1938, appointed to the office of Managing Director Gr. Uff. Dr. Alberto Perrone, whose family had been connected with our Florence Companies since 1880, his father, Sen. Emilio Perrone, having actually been one of the first and most authoritative representives of our Group in Southern Italy.

In the same year we suffered another severe loss with the death of Prince Pietro Lanza di Scalea, who was then President of La Fondiaria Life and La Fondiaria Accidents, as well as Vice-President of La Fondiaria Fire. An outstanding statesman, he had given much of his time and intelligence to further the advance of La Fondiaria, in spite of his activities in many other fields. At his death, the Presidency of the three Companies was taken over by Marchese Ing. Emanuele Trigona, formerly President of La Fondiaria Fire.

In 1939, with the opening of hostilities between Germany and the Allies, Europe entered the tragic period of World War II. At the same time our Companies, in cooperation with Italy's leading private Insurance Companies and Istituto Nazionale delle Assicurazioni, participated in the formation of a new, important Insurance Organisation, the « Compagnia di Roma — Società di Riassicurazioni e Partecipazioni assicurative », which was established in Rome, with a capital of 200 million Lire.

1940 - 1955

After Italy entered the War, in June 1940, new, grave problems confronted our Com-

panies, the foremost being that of maintaining the normal rhythm of activity in our Head Office and in the Agencies: in fact, many of our staff and agents joined the armed forces.

Our real estate property was seriously affected by air raids, especially in Florence, Milan, Turin, Naples, Genoa, Bologna, Trieste and Tripoli. This danger forced us to transfer, to safer areas, our securities and our files: this we managed to do with success.

All the forces of La Fondiaria were mobilised to cope with the exacting test, and actually our industrial activity was most notable in those years, as well as our patrimonial activity, which among other achievements brought the construction of a highly valuable building in the heart of Rome. In 1941 La Fondiaria was invited

Pietro Lanza di Trabia

to join the « Consorzio di Collocamento dei Buoni Novennali del Tesoro » the body entrusted with the subscription to Treasury Bonds, together with the country's leading financial Concerns. La Fondiaria with its nation-wide network of Agencies, contributed to the success of subscriptions, coupling such subscriptions with Life Assurance. This privilege has been renewed at every issue of Government securities.

But the fortunes of that most inauspicious War were turning for the worse and it became apparent that the occupation of our national territory by the Allied troops would make it impossible for the Head Office to maintain its contacts with the Agencies. In view of this impeding occurrence, proper steps were taken, and detailed instructions were given to all the interested Agencies. New managerial offices were established at « La Previdente » in Milan, « Italia » in Genoa, and in Rome. In this way our Agencies, though temporarily cut off from contact with Florence, were enabled to carry on till the cessation of hostilities, maintaining at the same time, intact, the portofolios they had accumulated through many years of activity.

With the Liberation of Florence (August 1944), our Agencies in Central and Southern Italy could resume contact with the Florence Head Office, while the Agencies situated north of the Gothic Line (which, being in a highly industrialised area, absorbed a major part of our activity) remained isolated. Then more complications arose, namely with the occupation by the Allied Command of part of our premises in the Building of Piazza Vittorio Emanuele, which houses our Head Office. This occupation was long drawn out: in spite of the extremely unfavorable conditions, however, we managed to carry on.

May 1945 marked the end of World War II in Europe. Our organisation had once more paid a heavy tribute: our employees, Federico Antonucci, Renzo Cangiano, Sergio Comparini and Enzo Caporali had died on the fields of battle, our Velletri Agent Giulio Fralleoni had fallen, victim of an air raid, our employee Dario Bini had been reported missing on the Russian front. To them, just as to our Dead in the first victorious World War, go our everlasting thoughts.

After so many losses and difficulties, it was finally possible to reorganise our work on normal lines.

Appointed as President of our Companies, and successor to Marchese Trigona, was Marchese Ing. Lorenzo Niccolini, formerly Vice-President. In this man, who presides over all the three Companies, is reflected the traditional figure of our leading exponents, prominent for their patriotic, intellectual and civic merits.

The men who had been forced to abandon their posts as a result of the law on racial discrimination, Avv. Guido Treves, Avv. Eugenio Artom, Avv. Ugo Castelnuovo Tedesco, as well as other leading exponents who had left in 1938, again joined our ranks after the gloomy drama which had so devastated our country. The period of their enforced leave, however, had not implied spiritual detachment from our family

Umberto Fecci

and it was therefore natural that Avv. Treves should on his return be appointed Vice-President of the Group.

Then began the phase of reconstruction: our Agencies and our Real Estate Administrations, by then normally connected with the Head Office, resumed their activity, and the many operations which during the War years had been conducted autonomously and in detached branches were given definite administrative recognition.

A large plan for the renovation and development of our up-country organisation, especially in the domain of production, was outlined. Action to that effect was started most vigorously all over the country. This enabled us to speed up the difficult resumption of the portofolios that had been so badly cut by the monetary inflation of post-war years.

Equally thoughtful care was taken of our property: the buildings belonging to our Companies that had been damaged or destroyed by air raids were rebuilt, and other real estate property which for many years had to be left in a state of abandonment, was finally taken care of.

In a few years' time important events occured in the life of our Reale Grandine.

Count Dr. Gualtiero Isolani, for many years a Director and later the President of that Company, a most generous man, died tragically in 1945. He was succeded by Count Prof. Filippo Cavazza, agriculturalist, expert in drainage works and well-known scientist.

In February 1952 Reale Grandine moved its Head Office to Florence, into the same building which houses the offices of our Companies. The consequent unification of services, which, added to the improvements achieved by establishing a joint organisation with La Fondiaria, resulted in further economic expansion. The new President, however, was not to see this through: only a year later, in January 1953, Count Cavazza died in Florence, mourned by all his many friends. He was succeeded by Cav. del Lav. Avv. Guido Treves.

Even in the ranks of La Fondiaria more offices were left vacant: Marchese Ing. Emanuele Trigona di Canicarao, formerly President of La Fondiaria Finanziaria and later of the three Companies, Fire, Life, Accidents, died in January 1953. Financial expert and technician of rare competence,

a man of austere habits, with an acute intellect and crystal clear conscience, he will forever be remembered as the President of the crucial War years.
Comm. Domenico Balduino, Director of our Companies and Vice-President of Reale Grandine, suddenly passed away in November 1953, in Florence. Nephew of the unforgettable Founder of La Fondiaria Fire and La Fondiaria Life, and son of Giuseppe Balduino, who was fór many years a Director of the said Companies, he had been the third member of his family to add lustre and to contribute to the advancement of our Group. His decease was deeply regretted by Directors, Managers and Personnel, and everyone felt that a great mind had left our Firm.
While such deeply regretted losses occurred, fresh energies entered our Boards and Management to fill the gaps incurred by Those who had left us: among these new forces, we particularly wish to mention Dr. Carlo Casali and Gr. Uff. Belisario Montani, already highly qualified officials of the Companies, who early in 1952 were appointed Vice - General Managers of the three Fondiaria Companies.

Alberto Perrone

Keeping pace with the extensive reconstruction work in the country, our organisation achieved new expansion, both in Insurance business, positively affected by the growing proportions of Motor traffic, and in the assets of the Companies.
Our share participation in some of Italy's major financial and industrial concerns grew conspicuously, and care was also taken of new transactions in real estate particularly in Florence, Milan, Rome, Leghorn, Arezzo, Bari, Bologna, Brescia, Ferrara, Genoa, La Spezia, Lecce, Pisa, Sassari, Terni, Treviso, Udine: this vast programme of investments included furthermore, the construction of more proper and modern offices for our local organisations.
But above all, while the emblem of our Organisation reappeared in Africa where we had been working before the war, a new, large plan of expansion abroad was started. At a Meeting held on December 23rd 1953, our Board of Directors decided, with a significant return to the original intentions of La Fondiaria, to extend business outside Italy, both through direct representations and through participation in Foreign Companies. This move was to bear witness to the world-wide scope of our Insurance business and to be in keeping with the great mercantile traditions of Florence. After two years, we can now look back on our first achievements in several European countries and also in America and Africa. Other realisations now being studied are such as to inspire full confidence in future developments.
After completing the monetary revaluation of our movable and real estate property, in terms of Law, at a Meeting held in June 1955 it was resolved to increase the Capital of our Companies so as to reach 1,200,000,000 Lire for La Fondiaria Fire, 1,600,000,000 Lire for La Fondiaria Life; La Fondiaria Accidents and Reale Grandine had previously increased their capital to 250,000,000 and 100,000,000 Lire respectively.
On the same occasion it was decided to

proceed to an integral reform of our Statutes, both for the sake of unification and to make such Statutes more adequate to the current legislation, as well as to the new and more complex requirements of our work.

At the same time, on account of the steady expansion and the large mechanised processing of our business data, for which our present offices are no longer adequate, a project for the construction of a new Head Office building has been made. This will be situated in Piazza Cavour: as soon as some notable difficulties are overcome, mainly arising from the current legislation on the control of rents on buildings to be demolished, work on the new project will be started immediately.

A major reason for rejoicing is offered by the prosperous activity of our associated Group, « La Previdente », which, under the efficient guidance of its President Avv. Vermondo Brugnatelli and of its Managing Director Count Gr. Uff. Alessandro Santucci, is expanding rapidly on the national insurance market. *

In these post-war years many complicated problems, mostly relevant to technique and Labour, have exercised a great influence on the Italian Insurance business, and consequently also on our organisation, hence the necessity to cope with them through strict discipline and collaboration among the men who preside over Insurance Companies, within the orbit of the Associazione Nazionale Imprese Assicuratrici. La Fondiaria has contributed, and is still contributing, to make that time-honoured institution more and more efficient, and it was with great pleasure that we saw one of our most distinguished Directors, Avv. Prof. Eugenio Artom, called to the Presidency of that organisation.

In this rapid survey of seventy-five years of activity, we have mentioned, together with the most remarkable events in the life of our Companies, also the men who added to the prestige, and contributed to the advancement of our enterprise. Above all we have briefly outlined the figures of our Dead, both to honour their memory and in the hope that their work may forever stand out as an example and admonition to those who are called to continue our glorious tradition in the leadership of La Fondiaria. Of our assistants, however, we also wish to mention three other categories, that constitute a vital part of our family.

First, may we refer to our 160 General Agents and to our 1,800 sub-Agents, from those who represent our Companies in big

Lorenzo Niccolini

towns, to those who operate in minor centres, where work is often made difficult by peculiar local conditions but is nonetheless carried out with zeal and devotion to our common cause. To all these dear Assistants, who are greatly the arteficers of the fortunes of our Companies, goes our deep gratitude. Our Companies have never failed to appreciate their spirit of sacrifice and devotion: they are followed with paternal affection and aided with advice and technical assistance, and finally backed by a large staff of accurately selected productive forces, which the Organisation always tries to improve, often at a very high cost.

In addition to our Agents and sub-Agents, we wish to mention the group of our Pro-

duction Inspectors, who operate in a sphere of stiff competition: they can well be defined the apostles, meritorious and yet little known, of providence.

Not less profound and grateful is the thought of our Companies for their Personnel, whose contribution often transcends the bare limits of normal activity to become co-operation of the most generous nature. Whenever possible, our Companies have given tangible proof of their deep concern for the welfare of their employees. In recent years, notwithstanding the general situation, our Companies have assisted their dependents towards the solution of their most cogent problem—housing accomodation—by making it possible for them to buy houses on a loan basis which in a few years has involved the expenditure of large sums. At the same time, our Companies are preparing the forthcoming formation of a constitution, which will have the task of promoting the building of flats for our employees, with agreements towards future sale. Above all we wish to mention here a recent agreement stipulated between our Companies and their Personnel, which aims at guaranteeing to the latter integrative economic treatment, over and above the pension scheme under legislation in force: the said agreement, which provides for an automatic adaptation to any possible increase of salary, will guarantee a carefree future to those who have worked faithfully for our Companies: on account of its spirit and form, it constitutes a welcome innovation in the field of providence and social solidarity.

The results achieved by the four Companies of our Group and by our associate La Previdente, following the hard period of postwar reconstruction, not yet completed, can best be appreciated by examining the following data extracted from our last Balance sheet; that of 1954, as amended by the increase of Capital, decided in June 1955 for La Fondiaria Life and La Fondiaria Fire.

	FONDIARIA * GROUP	ASSOCIATED ** GROUP	TOTAL
Capital paid up	L. 3,150,000,000	L. 245,000,000	L. 3,395,000,000
Capital reserves and miscellaneous funds . . .	L. 4,307,608,838	L. 142,595,108	L. 4,450,203,946
Underwriting reserves. .	L. 5,341,208,777	L. 799,628,189	L. 6,140,836,966
Real estate	L. 7,357,866,831	L. 854,604,098	L. 8,212,470,929
Securities and Cash . .	L. 5,295,954,416	L. 830,904,154	L. 6,126,858,570
Gross premiums written in 1954	L. 6,246,443,614	L. 1,563,634,678	L. 7,810,078,292

We consider the above results merely as a partial achievement on the road to our ultimate goals, which we expect to achieve parallel to a luminous rebirth of our Country.

July 1955.

LA FONDIARIA

* La Fondiaria Fire, Life, Accidents, Reale Grandine

** La Previdente, La Previdente Life, La Fenice

DIRECTORS OF THE COMPANIES FROM 1879 TO 1955

Fondiaria Incendio		Fondiaria Vita
1879 - 1892	ALFIERI DI SOSTEGNO, Carlo, Marquis, Senator	1880 - 1882
1934 - 1938	ARTOM, Eugenio, Prof., Avv.	1934 - 1938
from 1944		from 1944
	ATTI, Arturo, Comm.	1934 - 1944
	BALDUINO, Cesare, Count	from 1953
1879 - 1885	BALDUINO, Domenico senior, Comm., Vice-President of La Fondiaria Incendio from 1879	1880 - 1885
1910 - 1953	BALDUINO, Domenico junior, Comm.	1913 - 1953
1889 - 1913	BALDUINO, Giuseppe, Comm.	1886 - 1913
	BARAGIOLA, Pietro, Comm., Dr.	1900 - 1914
	BASSI, Giancarlo, Nob.	from 1955
1879 - 1906	BASSI, Girolamo, Nob., Gr. Uff., Vice-President of la Fondiaria Incendio from 1885 President of La Fondiaria Vita from 1895	1885 - 1906
1924 - 1929	BASSI, Guido, Nob., Comm.	1909 - 1929
	BASSI, Lodovico, Nob.	1893 - 1898
1885 - 1919	BASTOGI, Giovacchino, Count, Senator Vice-President of La Fondiaria Incendio from 1919	1895 - 1919
1889 - 1894	BEAUCHAMP (De), Roberto, Senator	1889 - 1894
1879 - 1892	BELINZAGHI, Giulio, Count, Senator	
1942 - 1944	BENINI, Zenone, Dr.	
	BERTINI, Cino, Cav., Dr.	1887 - 1898
1879 - 1892	BOMBRINI, Marcello, Comm., Avv.	

1885 - 1915	BORGHERI, Alessandro, Cav.	
	BROCCA, Umberto, Comm.	1926 - 1933
	BURCI, Enrico, Senator, Prof.	1924 - 1933
1879 - 1889	CAPUTI, Augusto, Cav., Avv.	
1879 - 1883	CASALINI, Alessandro, Comm.	
	CASANOVA, Francesco, Cav.	1888 - 1898
from 1944	CASONI, Gaetano, Comm., Avv.	from 1944
	CASTELNUOVO TEDESCO, Amedeo	1922 - 1935
from 1946	CASTELNUOVO TEDESCO, Ugo, Avv.	1935 - 1938
		from 1944
1898 - 1899	CAVALLINI, Luigi, Comm.	1895 - 1900
1879 - 1889	CERASI, Antonio, Count	1880 - 1898
1879 - 1890	CILENTO, Antonio, Cav.	
	CIPRIANI, Pietro, Senator, Prof., President of La Fondiaria Vita from 1880	1880 - 1887
1890 - 1898	COLLARINI, Oliviero, Count	1890 - 1897
1879 - 1889	COLLARINI, Pietro, Count	1880 - 1889
1900 - 1924	CORA, Egidio, Comm.	
1879 - 1894	CORSINI, Don Andrea Neri Marquis of Giovagallo Vice-President of La Fondiaria Vita from 1880 President of La Fondiaria Vita from 1887	1880 - 1894
1892 - 1898	CORSINI, Cino Ernesto, Marquis	1880 - 1898
	CORSINI, Emanuele, Marquis, Dr.	from 1924
1920 - 1926	CORSINI, Filippo, Marquis, Vice-President of La Fondiaria Incendio from 1921 President of La Fondiaria Vita from 1922	1922 - 1926
1879 - 1919	CORSINI, Tommaso, Prince, Senator President of La Fondiaria Incendio from 1879	
	DA PASSANO, Manfredo, Marquis	1882 - 1922
	DA PASSANO, Marcello, Marquis	from 1935
1890 - 1894	DE ANGELI, Carlo, Cav.	
1887 - 1889	DECAZES, Giovanni Elia, Duke	1887 - 1889
1885 - 1886	DECAZES, Luigi Carlo, Duke	1885 - 1886
	DE JOHANNIS, Arturo, Comm., Prof.	1895 - 1902
	DEL GRECO, Giovanni, Prof., Dr.	1896 - 1898
	DE VECCHI, Bindo, Comm., Prof.	1934 - 1937
1889 - 1918	DIGERINI NUTI, Giovanni, Count	
1883 - 1886	DU VAL DU MANOIR, Roberto, Viscount	1883 - 1886
from 1948	FAINA, Carlo, Count, Dr., Cavaliere	from 1948

1879 - 1890	FARINOLA GENTILE, Paolo, Marquis	1880 - 1890
1881 - 1883	FENZI, Cammillo	
1879 - 1881	FENZI, Carlo, Senator	1880 - 1881
	FENZI, Emanuele Orazio, Cav.	1881 - 1892
	FRANCESCHI, Cosimo, Cav., Dr.	1880 - 1895
1900 - 1916	FRANCHETTI, Eugenio, Baron	
1894 - 1924	FRANCO, Giulio, Comm. Avv.	
	FRIGNANI, Giuseppe, Gr. Uff., Avv.	from 1950
1879 - 1884	GALEOTTI, Leopoldo, Senator, Avv.	
1879 - 1899	GARZONI, Giuseppe, Marquis, Senator	
	GIACOMELLI, Giuseppe, Comm.	1880 - 1886
	GIARRÈ, Massimiliano, Cav., Prof.	1880 - 1888
from 1952	GINORI CONTI, Giovanni, Prince, Dr.	from 1938
from 1948	GOBBO, Mario, Gr. Uff., Avv.	from 1948
1929 - 1943	GORETTI DE FLAMINI, Goretto, Count, Avv.	1930 - 1943
1880 - 1885	GOYETCHE, Léonce, Cav.	1880 - 1885
	GROCCO, Pietro, Comm., Prof. Vice-President of La Fondiaria Vita from 1898	1895 - 1916
1895 - 1910	GROSSMANN, Maurizio Ignazio, Cav.	
	GUERRINI, Lodovico, Cav.	1890 - 1898
1938 - 1944	GUGLIELMI DI VULCI, Giorgio, Marquis, Senator	
1893 - 1894	GUITARD, Emile, Cav.	1893 - 1894
1879 - 1883	LAGRANGE (De), Federico, Count	1880 - 1883
1928 - 1938	LANZA DI SCALEA, Pietro, Prince, Senator Vice-President of La Fondiaria Incendio and La Fondiaria Vita from 1928. President of La Fondiaria Vita from 1934	1928 - 1938
	LEOPARDI, Gaetano, Cav., Prof. Vice-President of La Fondiaria Vita from 1887	1880 - 1891
1886 - 1894	LEROY BEAULIEU, Paul	1886 - 1894
1906 - 1917	MANGILI, Cesare, Senator	1906 - 1917
1879 - 1880	MARTIN, Felice, Cav.	1880 - 1880
	MIGLIORANZI, Luigi Adolfo, Comm., Avv.	1931 - 1935 1938 - 1944
1883 - 1898	MIGLIORATI, Gian Battista, Marquis, Senator	
1895 - 1903	MINGOTTI, Giuseppe, Comm.	
	MORSELLI, Giovanni, Dr., Cavaliere del Lavoro	1934 - 1934
1926 - 1944	NEGROTTO CAMBIASO, Federico, Marquis, Admiral	1927 - 1944

	NESPOLI, Giulio, Cav., Dr.	1880 - 1898
from 1926	NICCOLINI, Renzo, Marquis, Ing. Vice-President of La Fondiaria Vita from 1935 Vice-President of La Fondiaria Incendio from 1938 President of La Fondiaria Incendio and La Fondiaria Vita from 1945	from 1924
	OTTAVIANI, Riccardo, Gr. Uff., Dr.	from 1949
	PAPA, Giovanni Antonio, Cav., Avv.	1880 - 1898
1884 - 1889	PARIGI, Giulio, Cav., Avv.	
1926 - 1927	PAVONCELLI, Nicola, Gr. Uff., Vice-President of La Fondiaria Vita from 1924 Vice-President of La Fondiaria Incendio from 1927	1924 - 1927
1913 - 1937	PEPI, Umberto, Nob., Gr. Uff.	1924 - 1937
from 1938	PERRONE, Alberto, Gr. Uff., Dr.	from 1938
	PITACCO, Giorgio, Senator, Dr.	1924 - 1931
1879 - 1882	RAGGI, Giovan Battista, Marquis	
1937 - 1937	REGGIANI, Edmondo, Gr. Uff., Ing.	1937 - 1937
	RICHARD, Augusto, Comm.	1903 - 1930
	RICHARD, Giulio, Rag.	from 1931
from 1938	RIDOLFI, Piero, Marquis, Ing.	from 1938
	ROSATI, Tebaldo, Cav., Prof. Vice-President of La Fondiaria Vita from 1891	1880 - 1895
1892 - 1901	ROSSI, Girolamo, Comm.	1894 - 1902
1946 - 1951	SANTUCCI, Alessandro, Count, Gr. Uff.	
from 1955		
	SCALINI, Enrico, Senator, Dr. Vice-President of La Fondiaria Vita from 1916	1894 - 1946
1879 - 1889	SCHERER, Edmondo, Senator	1880 - 1889
from 1953	SERRA, Giovanni, Marquis	from 1950
1879 - 1895	SOUBEYRAN (De), Giorgio, Baron	1880 - 1894
	SPADA, Alessandro, Cav.	1880 - 1890
	STROMBOLI, Pietro, Comm., Prof.	1893 - 1924
1904 - 1925	STROZZI, Leone, Prince	
1883 - 1933	TANARI, Giuseppe, Marquis, Senator Vice-President of La Fondiaria Incendio and President of La Fondiaria Vita from 1906. President of La Fondiaria Incendio from 1919	1892 - 1933
1919 - 1920	TOJA, Guido, Gr. Uff., Prof., Ing.	1914 - 1933
1902 - 1918	TORLONIA, Leopoldo, Duke, Senator	1902 - 1918
1906 - 1938	TREVES, Guido, Avv., Cavaliere del Lavoro	1897 - 1938
from 1944	Vice-President of La Fondiaria Incendio and La Fondiaria Vita from 1944	from 1944

1934 - 1944	TRIGONA, Emanuele, Marquis, Senator, Ing., Cavaliere del Lavoro President of La Fondiaria Vita from 1927 President of La Fondiaria Incendio from 1934	1927 - 1935 1938 - 1944
from 1955	TUMEDEI, Cesare, Prof., Avv.	from 1955
1898 - 1933	ZABBAN, Giulio, Comm., Lt. Col.	1909 - 1933

AUDITORS FROM 1879 TO 1955

Fondiaria Incendio		Fondiaria Vita
1879 - 1893	ALLIEVI, Antonio, Senator	1880 - 1893
from 1946	BOMPANI, Alberto, Gr. Uff., Dr.	
1879 - 1924	BORGNINI, Secondo, Gr. Uff., Ing.	1880 - 1924
from 1945	CECCHERELLI, Alberto, Prof., Rag.	
1901 - 1913	CIARPAGLINI, Carlo Alberto, Nob.	1913 - 1923
	CORTI, Ugo, Comm., Prof.	1926 - 1934 1950 - 1955
1918 - 1922	DA PASSANO, Manfredo, Marquis	
	DA PASSANO, Marcello, Marquis	1923 - 1935
1884 - 1885	DE CAMBRAY DIGNY, Louis Guillaume, Count	
1885 - 1901	DE CAMBRAY DIGNY, Thomas, Count, Avv.	1895 - 1901
	GALLI, Renato, Prof., Dr. President	from 1937
	GALLICHI, Raffaele, Comm., Gen.	1924 - 1938
	GHISELLI, Vincenzo, Comm., Rag.	1946 - 1950
1896 - 1918	GRATI, Artidoro, Avv.	
	LAGO, Giuseppe, Comm., Rag.	from 1955
from 1939	NENCIONI, Tersilio, Comm., Rag. President of the Board of Auditors of La Fondiaria Incendio	from 1939
1913 - 1921	NICCOLINI, Eugenio, Marquis, Senator	1901 - 1913
1921 - 1926	NICCOLINI, Renzo, Marquis, Ing.	
1925 - 1936	ORZALESI, Vito, Rag.	
1879 - 1884	OSIO, Guglielmo, Cav.	1880 - 1884
1926 - 1935	PELLI FABBRONI, Giovanni, Count, Senator	1884 - 1926
1893 - 1896	RAVA, Enrico, Comm.	1893 - 1895
1936 - 1946	RIZZOTTI, Paolo, Cav.	1935 - 1946
1922 - 1944	ROSSELLI, Piero, Comm., Avv.	
1935 - 1939	TOGNOZZI, Raimondo, Comm., Rag. President	1924 - 1935
	ZEI, Italo, Gr. Uff., Rag.	1934 - 1937

GENERAL MANAGERS AND VICE GENERAL MANAGERS FROM 1879 TO 1955

Fondiaria Incendio		Fondiaria Vita
from 1925	CASALI, Carlo, Dr. Vice General Manager from 1952	from 1925
1893 - 1907	FANTAZZINI, Enrico, Comm. General Manager	1893 - 1907
from 1934	FECCI, Umberto, Gr. Uff. Vice General Manager from 1934 General Manager from 1937	from 1934
1879 - 1893	GUITARD, Emile, Cav. General Manager	1880 - 1893
from 1939	MONTANI, Belisario, Gr. Uff., Geom. Vice General Manager from 1952	from 1952
	OTTAVIANI, Riccardo, Gr. Uff., Dr. Vice General Manager from 1937	1924 - 1949
1918 - 1937	REGGIANI, Edmondo, Gr. Uff., Ing. Vice General Manager from 1918 General Manager from 1919	1918 - 1937
1894 - 1918	TOJA, Guido, Gr. Uff., Ing. General Manager from 1908	1894 - 1914